

FILED IN OPEN COURT
JACKSONVILLE, FLORIDA

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION

9/28/20

U.S. DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA

UNITED STATES OF AMERICA

v.

CASE NO. 3:19-cr-148-J-32PDB

ROBERT H. HENDRICKS
a/k/a "Bob Hendricks"

PLEA AGREEMENT

Pursuant to Fed. R. Crim. P. 11(c), the United States of America, by Maria Chapa Lopez, United States Attorney for the Middle District of Florida, and the defendant, ROBERT H. HENDRICKS, and the attorney for the defendant, Curtis Fallgatter, Esq., mutually agree as follows:

A. Particularized Terms

1. Count(s) Pleading To

The defendant shall enter a plea of guilty to Counts One, Five, Six, and Eleven of the Indictment. Counts One, Five, Six, and Eleven charge the defendant with wire fraud, in violation of 18 U.S.C. § 1343.

2. Maximum Penalties

Counts One, Five, Six, and Eleven carry a maximum sentence of 20 years imprisonment, a fine of \$250,000, or twice the gross gain caused by the offense, or twice the gross loss caused by the offense, whichever is greater, a term of supervised release of not more than 3 years, and a special assessment of \$100

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AF Approval BA

per felony count. A violation of the terms and conditions of supervised release carries a maximum sentence of not more than 2 years imprisonment as well as the possibility of an additional term of supervised release.

Counts One, Five, Six, and Eleven combined carry a cumulative maximum penalty of 80 years imprisonment, a fine of \$1,000,000 or twice the gross gain caused by the offense, or twice the gross loss caused by the offense, whichever is greater, or both fine and imprisonment, a term of supervised release of not more than 3 years, and \$400 special assessment, said special assessment to be due on the date of sentencing. A violation of the terms and conditions of supervised release carries a maximum sentence of 8 years' imprisonment, as well as the possibility of an additional term of supervised release.

With respect to certain offenses, the Court shall order the defendant to make restitution to any victim of the offense(s), and with respect to other offenses, the Court may order the defendant to make restitution to any victim of the offense(s), or to the community, as set forth below.

3. Elements of the Offense(s)

The defendant acknowledges understanding the nature and elements of the offense(s) with which defendant has been charged and to which defendant is pleading guilty. The elements of Counts One, Five, Six, and Eleven are:

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- First: the Defendant knowingly devised or participated in a scheme to defraud someone by using false or fraudulent pretenses, representations, or promises;
- Second: the false pretenses, representations, or promises were about a material fact;
- Third: the Defendant acted with the intent to defraud; and
- Fourth: the Defendant transmitted or caused to be transmitted by wire some communication in interstate commerce to help carry out the scheme to defraud.

4. Counts Dismissed

At the time of sentencing, the remaining counts against the defendant charged by the Indictment, Counts Two, Three, Four, Seven, Eight, Nine, Ten, and Twelve will be dismissed as to this defendant pursuant to Fed. R. Crim. P. 11(c)(1)(A).

5. No Further Charges

If the Court accepts this plea agreement, the United States Attorney's Office for the Middle District of Florida agrees not to charge defendant with committing any other federal criminal offenses known to the United States Attorney's Office at the time of the execution of this agreement, related to the conduct giving rise to this plea agreement.

6. Mandatory Restitution to Victim of Offense of Conviction

Pursuant to 18 U.S.C. § 3663A(a) and (b), defendant agrees to make full restitution to V.D., S.P., J.T., M.G., and J.T. in the amount of at least

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\$1,378,962.17 as detailed in the indictment, with the final amount to be determined at sentencing.

7. Restitution to Persons Other Than the Victim of the Offense of Conviction - Agreed Upon Amount

Pursuant to 18 U.S.C. §§ 3663(a)(3) and/or 3663A(a)(3), defendant agrees to make restitution of at least \$1,303,962.17 to the following other victims: V.D. (at least \$450,000), S.F.T. (at least \$388,962.17), R.C. (at least \$50,000), J.T.(at least \$371,000), T.W. (at least \$4,000), and M.S.(at least \$40,000), with the final amount to be determined at sentencing.

8. Acceptance of Responsibility - Three Levels

At the time of sentencing, and in the event that no adverse information is received suggesting such a recommendation to be unwarranted, the United States will recommend to the Court that the defendant receive a two-level downward adjustment for acceptance of responsibility, pursuant to USSG § 3E1.1(a). The defendant understands that this recommendation or request is not binding on the Court, and if not accepted by the Court, the defendant will not be allowed to withdraw from the plea.

Further, at the time of sentencing, if the defendant's offense level prior to operation of subsection (a) is level 16 or greater, and if the defendant complies with the provisions of USSG § 3E1.1(b) and all terms of this Plea Agreement, including but not limited to, the timely submission of the financial

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affidavit referenced in Paragraph B.5., the United States agrees to file a motion pursuant to USSG § 3E1.1(b) for a downward adjustment of one additional level. The defendant understands that the determination as to whether the defendant has qualified for a downward adjustment of a third level for acceptance of responsibility rests solely with the United States Attorney for the Middle District of Florida, and the defendant agrees that the defendant cannot and will not challenge that determination, whether by appeal, collateral attack, or otherwise.

9. Forfeiture of Assets

The defendant agrees to forfeit to the United States immediately and voluntarily any and all assets and property, or portions thereof, subject to forfeiture, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), whether in the possession or control of the United States, the defendant or defendant's nominees. The assets to be forfeited specifically include, but are not limited to, at least \$2,682,924.34 in proceeds the defendant admits he obtained, as the result of the commission of the offenses to which the defendant is pleading guilty. The defendant further herein consents to the filing of a motion by the United States for immediate entry of an order of forfeiture.

The defendant acknowledges and agrees that: (1) the defendant obtained this amount as a result of the commission of the offenses, and (2) as a result of the acts and omissions of the defendant, the proceeds have been

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transferred to third parties and cannot be located by the United States upon the exercise of due diligence. Therefore, the defendant agrees that, pursuant to 21 U.S.C. § 853(p), the United States is entitled to forfeit any other property of the defendant (substitute assets), up to the amount of proceeds the defendant obtained, as the result of the offense(s) of conviction. The defendant further consents to, and agrees not to oppose, any motion for substitute assets filed by the United States up to the amount of proceeds obtained from commission of the offenses. The defendant agrees that forfeiture of substitute assets as authorized herein shall not be deemed an alteration of the defendant's sentence.

The defendant additionally agrees that since the criminal proceeds have been transferred to third parties and cannot be located by the United States upon the exercise of due diligence, the preliminary and final orders of forfeiture should authorize the United States Attorney's Office to conduct discovery (including depositions, interrogatories, requests for production of documents, and the issuance of subpoenas), pursuant to Rule 32.2 (b) (3) of the Federal Rules of Criminal Procedure, to help identify, locate, and forfeit substitute assets.

The defendant also agrees to waive all constitutional, statutory, and procedural challenges (including direct appeal, habeas corpus, or any other means) to any forfeiture carried out in accordance with this Plea Agreement on any grounds, including that the forfeiture described herein constitutes an

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excessive fine, was not properly noticed in the charging instrument, addressed by the Court at the time of the guilty plea, announced at sentencing, or incorporated into the judgment.

The defendant admits and agrees that the conduct described in the Factual Basis below provides a sufficient factual and statutory basis for the forfeiture of the property sought by the government. Pursuant to Rule 32.2(b)(4), the defendant agrees that the preliminary order of forfeiture will satisfy the notice requirement and will be final as to the defendant at the time it is entered. In the event the forfeiture is omitted from the judgment, the defendant agrees that the forfeiture order may be incorporated into the written judgment at any time pursuant to Rule 36.

The defendant agrees to take all steps necessary to identify and locate all substitute assets and to transfer custody of such assets to the United States before the defendant's sentencing. To that end, the defendant agrees to make a full and complete disclosure of all assets over which defendant exercises control, including all assets held by nominees, to execute any documents requested by the United States to obtain from any other parties by lawful means any records of assets owned by the defendant, and to consent to the release of the defendant's tax returns for the previous five years. The defendant agrees to be interviewed by the government, prior to and after sentencing, regarding such assets. The defendant further agrees to be polygraphed on the issue of assets, if

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it is deemed necessary by the United States. The defendant agrees that Federal Rule of Criminal Procedure 11 and USSG § 1B1.8 will not protect from forfeiture assets disclosed by the defendant as part of the defendant's cooperation.

The defendant agrees to take all steps necessary to assist the government in obtaining clear title to any substitute assets before the defendant's sentencing. In addition to providing full and complete information about substitute assets, these steps include, but are not limited to, the surrender of title, the signing of a consent decree of forfeiture, and signing of any other documents necessary to effectuate such transfers.

Forfeiture of the defendant's assets shall not be treated as satisfaction of any fine, restitution, cost of imprisonment, or any other penalty the Court may impose upon the defendant in addition to forfeiture.

The defendant agrees that, in the event the Court determines that the defendant has breached this section of the Plea Agreement, the defendant may be found ineligible for a reduction in the Guidelines calculation for acceptance of responsibility and substantial assistance, and may be eligible for an obstruction of justice enhancement.

The defendant agrees that the forfeiture provisions of this plea agreement are intended to, and will, survive the defendant, notwithstanding the abatement of any underlying criminal conviction after the execution of this

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agreement. The forfeitability of any particular property pursuant to this agreement shall be determined as if the defendant had survived, and that determination shall be binding upon defendant's heirs, successors and assigns until the agreed forfeiture, including the forfeiture of any substitute assets, is final.

B. Standard Terms and Conditions

1. Restitution, Special Assessment and Fine

The defendant understands and agrees that the Court, in addition to or in lieu of any other penalty, shall order the defendant to make restitution to any victim of the offense(s), pursuant to 18 U.S.C. § 3663A, for all offenses described in 18 U.S.C. § 3663A(c)(1); and the Court may order the defendant to make restitution to any victim of the offense(s), pursuant to 18 U.S.C. § 3663, including restitution as to all counts charged, whether or not the defendant enters a plea of guilty to such counts, and whether or not such counts are dismissed pursuant to this agreement. The defendant further understands that compliance with any restitution payment plan imposed by the Court in no way precludes the United States from simultaneously pursuing other statutory remedies for collecting restitution (28 U.S.C. § 3003(b)(2)), including, but not limited to, garnishment and execution, pursuant to the Mandatory Victims Restitution Act, in order to ensure that the defendant's restitution obligation is satisfied.

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On each count to which a plea of guilty is entered, the Court shall impose a special assessment pursuant to 18 U.S.C. § 3013. To ensure that this obligation is satisfied, the Defendant agrees to deliver a check or money order to the Clerk of the Court in the amount of \$400, payable to "Clerk, U.S. District Court" within ten days of the change of plea hearing.

The defendant understands that this agreement imposes no limitation as to fine.

2. Supervised Release

The defendant understands that the offense(s) to which the defendant is pleading provide(s) for imposition of a term of supervised release upon release from imprisonment, and that, if the defendant should violate the conditions of release, the defendant would be subject to a further term of imprisonment.

3. Immigration Consequences of Pleading Guilty

The defendant has been advised and understands that, upon conviction, a defendant who is not a United States citizen may be removed from the United States, denied citizenship, and denied admission to the United States in the future.

4. Sentencing Information

The United States reserves its right and obligation to report to the Court and the United States Probation Office all information concerning the

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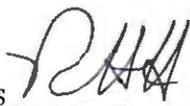


factual information, including the totality of the defendant's criminal activities, if any, not limited to the count(s) to which defendant pleads, to respond to comments made by the defendant or defendant's counsel, and to correct any misstatements or inaccuracies. The United States further reserves its right to make any recommendations it deems appropriate regarding the disposition of this case, subject to any limitations set forth herein, if any.

5. Financial Disclosures

Pursuant to 18 U.S.C. § 3664(d)(3) and Fed. R. Crim. P. 32(d)(2)(A)(ii), the defendant agrees to complete and submit to the United States Attorney's Office within 30 days of execution of this agreement an affidavit reflecting the defendant's financial condition. The defendant promises that his financial statement and disclosures will be complete, accurate and truthful and will include all assets in which he has any interest or over which the defendant exercises control, directly or indirectly, including those held by a spouse, dependent, nominee or other third party. The defendant further agrees to execute any documents requested by the United States needed to obtain from any third parties any records of assets owned by the defendant, directly or through a nominee, and, by the execution of this Plea Agreement, consents to the release of the defendant's tax returns for the previous five years. The defendant similarly agrees and authorizes the United States Attorney's Office to provide to, and obtain from, the United States Probation Office, the financial

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affidavit, any of the defendant's federal, state, and local tax returns, bank records and any other financial information concerning the defendant, for the purpose of making any recommendations to the Court and for collecting any assessments, fines, restitution, or forfeiture ordered by the Court. The defendant expressly authorizes the United States Attorney's Office to obtain current credit reports in order to evaluate the defendant's ability to satisfy any financial obligation imposed by the Court.

6. Sentencing Recommendations

It is understood by the parties that the Court is neither a party to nor bound by this agreement. The Court may accept or reject the agreement, or defer a decision until it has had an opportunity to consider the presentence report prepared by the United States Probation Office. The defendant understands and acknowledges that, although the parties are permitted to make recommendations and present arguments to the Court, the sentence will be determined solely by the Court, with the assistance of the United States Probation Office. Defendant further understands and acknowledges that any discussions between defendant or defendant's attorney and the attorney or other agents for the government regarding any recommendations by the government are not binding on the Court and that, should any recommendations be rejected, defendant will not be permitted to withdraw defendant's plea pursuant to this plea agreement. The government expressly reserves the right to support and

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defend any decision that the Court may make with regard to the defendant's sentence, whether or not such decision is consistent with the government's recommendations contained herein.

7. Defendant's Waiver of Right to Appeal the Sentence

The defendant agrees that this Court has jurisdiction and authority to impose any sentence up to the statutory maximum and expressly waives the right to appeal defendant's sentence on any ground, including the ground that the Court erred in determining the applicable guidelines range pursuant to the United States Sentencing Guidelines, except (a) the ground that the sentence exceeds the defendant's applicable guidelines range as determined by the Court pursuant to the United States Sentencing Guidelines; (b) the ground that the sentence exceeds the statutory maximum penalty; or (c) the ground that the sentence violates the Eighth Amendment to the Constitution; provided, however, that if the government exercises its right to appeal the sentence imposed, as authorized by 18 U.S.C. § 3742(b), then the defendant is released from his waiver and may appeal the sentence as authorized by 18 U.S.C. § 3742(a).

8. Middle District of Florida Agreement

It is further understood that this agreement is limited to the Office of the United States Attorney for the Middle District of Florida and cannot bind other federal, state, or local prosecuting authorities, although this office will

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bring defendant's cooperation, if any, to the attention of other prosecuting officers or others, if requested.

9. Filing of Agreement

This agreement shall be presented to the Court, in open court or in camera, in whole or in part, upon a showing of good cause, and filed in this cause, at the time of defendant's entry of a plea of guilty pursuant hereto.

10. Voluntariness

The defendant acknowledges that defendant is entering into this agreement and is pleading guilty freely and voluntarily without reliance upon any discussions between the attorney for the government and the defendant and defendant's attorney and without promise of benefit of any kind (other than the concessions contained herein), and without threats, force, intimidation, or coercion of any kind. The defendant further acknowledges defendant's understanding of the nature of the offense or offenses to which defendant is pleading guilty and the elements thereof, including the penalties provided by law, and defendant's complete satisfaction with the representation and advice received from defendant's undersigned counsel (if any). The defendant also understands that defendant has the right to plead not guilty or to persist in that plea if it has already been made, and that defendant has the right to be tried by a jury with the assistance of counsel, the right to confront and cross-examine the witnesses against defendant, the right against compulsory self-

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incrimination, and the right to compulsory process for the attendance of witnesses to testify in defendant's defense; but, by pleading guilty, defendant waives or gives up those rights and there will be no trial. The defendant further understands that if defendant pleads guilty, the Court may ask defendant questions about the offense or offenses to which defendant pleaded, and if defendant answers those questions under oath, on the record, and in the presence of counsel (if any), defendant's answers may later be used against defendant in a prosecution for perjury or false statement. The defendant also understands that defendant will be adjudicated guilty of the offenses to which defendant has pleaded and, if any of such offenses are felonies, may thereby be deprived of certain rights, such as the right to vote, to hold public office, to serve on a jury, or to have possession of firearms.

11. Factual Basis

Defendant is pleading guilty because defendant is in fact guilty. The defendant certifies that defendant does hereby admit that the facts set forth in the attached "Factual Basis," which is incorporated herein by reference, are true, and were this case to go to trial, the United States would be able to prove those specific facts and others beyond a reasonable doubt.

12. Entire Agreement

This plea agreement constitutes the entire agreement between the government and the defendant with respect to the aforementioned guilty plea

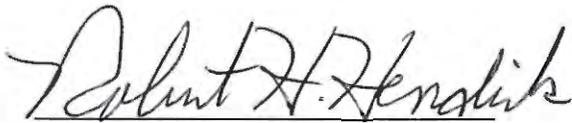
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and no other promises, agreements, or representations exist or have been made to the defendant or defendant's attorney with regard to such guilty plea.

13. Certification

The defendant and defendant's counsel certify that this plea agreement has been read in its entirety by (or has been read to) the defendant and that defendant fully understands its terms.

DATED this 11th day of September, 2020.



Robert H. Hendricks
Defendant



MARIA CHAPA LOPEZ
United States Attorney
Ashley Washington
Assistant United States Attorney



Curtis Fallgatter, Esq.
Attorney for Defendant



Frank Talbot
Assistant United States Attorney
Chief, Jacksonville Division

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION

UNITED STATES OF AMERICA

v.

CASE NO. 3:19-cr-148-J-32PDB

ROBERT H. HENDRICKS
a/k/a "Bob Hendricks"

PERSONALIZATION OF ELEMENTS

Count One

1. Did you knowingly devise or participate in a scheme to defraud, or to obtain money or property from V.D. by using false pretenses, representations, or promises?
2. Were the false pretenses, representations, or promises to V.D. about a material fact?
3. Did you act with the intent to defraud V.D.?
4. Did you transmit or cause to be transmitted by wire some communication in interstate commerce to help carry out the scheme to defraud, that is by depositing V.D.'s check for \$300,000 to your BBVA account on or about October 29, 2014, the processing of which occurred via wire transfer from the state of Virginia?

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Count Five

1. Did you knowingly devise or participate in a scheme to defraud, or to obtain money or property from L.A. by using false pretenses, representations, or promises?
2. Were the false pretenses, representations, or promises to L.A. about a material fact?
3. Did you act with the intent to defraud L.A.?
4. Did you transmit or cause to be transmitted by wire some communication in interstate commerce to help carry out the scheme to defraud, that is by receiving a wire from S.P. for \$200,000 to CCRE to your VyStar account on or about March 21, 2016?

Count Six

1. Did you knowingly devise or participate in a scheme to defraud, or to obtain money or property from J.T. by using false pretenses, representations, or promises?
2. Were the false pretenses, representations, or promises to J.T. about a material fact?
3. Did you act with the intent to defraud J.T.?
4. Did you transmit or cause to be transmitted by wire some communication in interstate commerce to help carry out the scheme to

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defraud, that is by receiving a wire from P.F. for \$490,000 to CCRE to your VyStar account on or about April 18, 2016?

Count Eleven

1. Did you knowingly devise or participate in a scheme to defraud, or to obtain money or property from M.G. by using false pretenses, representations, or promises?
2. Were the false pretenses, representations, or promises to M.G. about a material fact?
3. Did you act with the intent to defraud M.G.?
4. Did you transmit or cause to be transmitted by wire some communication in interstate commerce to help carry out the scheme to defraud, that is by receiving a wire from K&S Exchange of \$388,962.17 to E.M.'s SunTrust Bank account on or about February 13, 2017?

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UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION

UNITED STATES OF AMERICA

v.

CASE NO. 3:19-cr-148-J-32PDB

ROBERT H. HENDRICKS
a/k/a "Bob Hendricks"

FACTUAL BASIS

The defendant, Robert H. Hendricks a/k/a "Bob Hendricks," was a licensed real estate broker who provided his services in the Middle District of Florida. The defendant was licensed as a real estate broker in the State of Florida beginning June 25, 1984. On June 26, 2019, the defendant's license was revoked.

The defendant incorporated Crown Commercial Real Estate, Inc. (CCRE) on January 1, 1990, and it has been in existence since that date. CCRE's principal place of business is located in Ponte Vedra in St. Johns County, Florida. The defendant is a principal in CCRE.

The defendant utilized CCRE as a subterfuge to facilitate the fraud, artifice, and scheme perpetrated by him and described more fully below. As part of his real estate practice, the defendant became known as an individual savvy in the commercial real estate world, particularly to his friends and family. Clients of the defendant, including friends, invested money with the defendant

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to pursue various real estate ventures that the defendant represented were available and would make them money. Money was invested with both the defendant, personally, as well as through CCRE.

It was part of the scheme and artifice to defraud that the defendant solicited friends and clients (victim investors) to invest in fraudulent and sham investments in real property and commercial business ventures. It was further a part of the scheme and artifice to defraud that the defendant preyed upon victim investors by taking advantage of victim investors' confidence in the defendant, which was based on long time friendships.

It was further a part of the scheme and artifice to defraud that the defendant falsely and fraudulently enticed victim investors to purchase interests in the defendant's real estate opportunities. It was further a part of the scheme and artifice to defraud that the defendant had funds from these victim investors deposited into accounts that the defendant controlled at BBVA Compass and VyStar Credit Union. It was further a part of the scheme and artifice to defraud that the defendant would have funds from these victim investors deposited into an account controlled by E.M. at SunTrust Bank.

It was further a part of the scheme and artifice to defraud that the defendant would have funds from these victim investors paid to him via check or wire made out in the names of the defendant, CCRE, or E.M. for the sole

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benefit of the defendant. It was further a part of the scheme and artifice to defraud that the defendant, by means of materially false and fraudulent representations, kept the money obtained from victim investors as a result of the false representations. It was further a part of the scheme and artifice to defraud that the defendant fraudulently spent the victim investors' money, in a manner designed to personally enrich the defendant and others.

It was further a part of the scheme and artifice to defraud that the defendant, in an effort to cover up the scheme and convince the victim investors of the veracity of their investments, provided falsified property documents that represented the purported investments. It was further part of the scheme and artifice to defraud that the defendant performed acts and made statements to hide and conceal the purpose of the scheme and the acts committed in furtherance thereof.

V.D. and his wife, M.D., had been friends with the defendant since the early 1970s. Beginning in approximately 2013, the defendant approached V.D. and M.D. about various real-estate opportunities. The defendant told V.D. and M.D. that he had been successful with Home Depot properties and needed money for another Home Depot deal in central Florida. V.D. paid the defendant \$300,000 for investment into two Home Depot property ventures. After receiving the check for \$300,000, the defendant used the funds for

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expenses that were unrelated to any purported Home Depot investment, including \$43,000 in cash withdrawals, \$25,000 to his real estate partners on other ventures, \$58,000 to another victim investor, and over \$8,000 in payments to American Express and Barclays credit cards.

On October 29, 2014, as alleged in Count One of the Indictment, the defendant deposited a Bank of America check from V.D. in the amount of \$300,000 (referenced above) into the defendant's personal BBVA account, the processing of which occurred via wire transfer from the state of Virginia

On March 21, 2016, as alleged in Count Five of the Indictment, the defendant received a wire of \$200,000 from S.P. to CCRE into the defendant's VyStar account. The defendant was friends with L.A.'s father and L.A. had been friends with the defendant since approximately 2007 or 2008. The defendant told L.A. that Wawa was establishing locations in Jacksonville and offered L.A. a deal for 4-5 stores. L.A. wired \$200,000 to CCRE through his company, S.P., for the purpose of investing in Wawa locations. L.A. believed that three of the five locations were completed based in part on a purchase and sale agreement provided by the defendant referencing a Wawa at the St. Johns Town Center (SJTC) and representations by the defendant. However, the Wawa at the SJTC had already been built at the time of the investment. The defendant was not involved in that Wawa project or any other Wawa deal

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involving the SJTC. The defendant told L.A. that his money was safe and the \$200,000 remained in escrow on the Wawa deal. Despite the defendant's representations to L.A., there was no money in escrow. The money was spent by the defendant for his own benefit, including paying \$100,000 to V.D., and nothing related to any Wawa deal.

On April 18, 2016, as alleged in Count Six of the Indictment, the defendant received a wire of \$490,000 from P.F. to CCRE into the defendant's VyStar account. J.T.'s daughter dated the defendant in the early 2000s and the defendant and J.T. remained friends. J.T. had several residential property investments and decided to invest in commercial real estate with the defendant. In 2004, J.T. and the defendant purchased a property together at 9172 Baymeadows Road (Baymeadows Property), Jacksonville, Florida. J.T. later bought the defendant's share of the Baymeadows Property. The Baymeadows Property required environmental cleanup due to previous ownership by First Coast Energy and its use of the property as a gas station. In 2016, the defendant told J.T. that there was still cleanup needed on the Baymeadows Property and J.T. needed insurance for the property to help pay for the cleanup and cover any liability. The defendant suggested that if J.T. signed the Baymeadows Property over to him, the defendant could cover the property with the umbrella policy he had for his real estate business. J.T. agreed and the Baymeadows Property was

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transferred to the defendant. J.T. received copies of documents from the defendant to transfer the Baymeadows Property back to J.T., as the change in ownership was supposed to be only a temporary change. The defendant promised to execute the documents switching the ownership of the Baymeadows Property back to J.T., but never did. As part of his cleanup story, the defendant requested money from J.T. for the cleanup, including \$42,000 in March 2015 and \$25,000 in August of 2015. The defendant told J.T. he would get this money back. In reality, once the Baymeadows Property was in the defendant's name, he obtained a \$500,000 mortgage in the name of CCRE from P.F. The majority of these funds were disbursed to his business partners. In addition, \$50,000 of the mortgage was paid to V.D. The Federal Bureau of Investigation (FBI) made contact with C.M., an employee with the City of Jacksonville Neighborhoods Department, who said the responsible party for the cleanup is First Coast Energy and the Florida Department of Environmental Protection. C.M. also stated that there were no special insurance requirements and that the defendant likely had no costs related to the site cleanup. Ultimately, the defendant failed to repay the mortgage on the property, resulting in foreclosure, and P.F. was later awarded the Baymeadows Property at an auction.

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On February 13, 2017, as alleged in Count Eleven of the Indictment, the defendant received a wire of \$388,962.17 from K&S Exchange to E.M.'s SunTrust Bank account. K&S Exchange is a 1031 intermediary. Its role is to serve as a qualified intermediary from the sale of a property by its client, a taxpayer. When the taxpayer sells a piece of property, the funds are given to K&S. The taxpayer then has 45 days to identify a replacement property and 90 days to close and realize the 1031 exchange benefit. The funds held by K&S are then sent for the new property purchase to the title attorney or similar. The wire was for K& S client, M.G. M.G. sold an oil and gas interest in Kentucky and received proceeds from it. M.G. decided to buy an interest in an LLC that she believed owned a Home Depot, after the recommendation from the defendant. The defendant said he had an interest in a Home Depot and M.G. could invest in it. The defendant said that GB Northtown owned the land in Blaine, Minnesota where the Home Depot was located. The plan was for M.G. to buy a portion of the defendant's purported interest in GB Northtown. M.G. believed she was purchasing 5.606% membership interest in GB Northtown, LLC. According to the documents she received, GB Northtown owned a Home Depot in Blaine, Minnesota. However, GB Northtown does not own a Home Depot. Home Depot provided records demonstrating that until 2012, a GB Northtown, LLC owned a Home Depot in Blaine, Minnesota. However, that

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corporation was registered in Delaware and operated by an Ohio company, unrelated to the defendant. The defendant incorporated a Florida corporation, named GB Northtown, LLC, to further his fraudulent Home Depot investment scheme. There is no evidence that the defendant or anyone else who purportedly became a partner of GB Northtown, LLC (Florida Corporation) owned any interest in the Home Depot in Blaine, Minnesota.

On February 12, 2019 and February 20, 2019, the defendant was interviewed by FBI agents. During his February 12, 2019 interview, the defendant said the following:

- he had conversations with Home Depot and gave them a deposit;
- his bank account statements might not show V.D.'s money going directly to the real estate investment because he pulled funds from another account or from one of his attorneys;
- he did not know that money from other victim investors was being used to pay other victim investors;
- mortgages on J.T.'s Baymeadows property were a mistake and he was overseeing contamination, as well as paying for clean fill;
- admitted the Baymeadows Property was not his property;

Defendant's Initials



- claimed he had conversations with Wawa about developing properties in Jacksonville, but did not remember taking money from V.D. for the Jacksonville Beach deal; and
- claimed L.A.'s Wawa deal was still alive even though there was already a Wawa at SJTC, but he did not have L.A.'s money.

In the defendant's February 20, 2019 interview, he admitted he was not truthful in his February 12, 2019 interview and was probably going to jail. He admitted that he made up the documentation he provided to V.D. when V.D. started asking questions. The defendant admitted he used the money from V.D. to invest in his own company, Viridor Carbon Services, and he did not invest the money as intended. He also stated that no one helped him with the fraud and he would be willing to take a lie detector test to prove it.

The defendant fraudulently obtained at least \$2,682,924.34 in proceeds of the wire fraud offenses.

Defendant's Initials

