

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

UNITED STATES OF AMERICA

:

CASE NO.

1010CR 014

v.

:

INDICTMENT

ERIC D. DUKE

:

18 U.S.C. § 1349

TERRENCE J. MONAHAN, JR.

:

18 U.S.C. § 1343

BERNARD J. KURLEMANN

:

18 U.S.C. § 371

BRYAN SANNEMAN

:

18 U.S.C. § 1014

18 U.S.C. § 2

Notice of forfeiture

SPIEGEL

THE GRAND JURY CHARGES THAT:

COUNT ONE

(Conspiracy to commit loan fraud: 18 U.S.C. § 371)

At all times material to this Indictment:

1. Defendant **ERIC D. DUKE** was self-employed as a tax preparer and interior designer. Defendant **DUKE** also owned a purported property management company called Rivendale Property Management Group, L.P., Maineville, Ohio ("Rivendale").

2. Defendant **TERRENCE J. MONAHAN, JR.** was a vice president in Exclusive Capital Management, a division of Huntington National Bank, Cincinnati, Ohio. Defendant **ERIC D. DUKE** was a neighbor of defendant **MONAHAN** and his wife, M.M., an individual known to the Grand Jury, when defendant **DUKE** lived at 299 Southwind Court, Mason, Ohio. Defendant **MONAHAN** and M.M. owned the residence located at 298 Southwind Court, Maineville, Ohio ("298 Southwind").

3. Defendant **TERRENCE J. MONAHAN, JR.** provided defendant **ERIC D. DUKE** with a customer's Exclusive Capital Management account statement in order for defendant **DUKE** to create fraudulent and fictitious account statements that would be used to support asset information on fraudulent mortgage loan applications.

4. Defendant **BERNARD J. KURLEMANN** owned and operated a number of residential development construction businesses, two of which were known as Kurlemann Homes of Long Cove and Long Cove Management, LLC, Mason, Ohio. Defendant **KURLEMANN** and Kurlemann Homes of Long Cove were the builder/owners of the residence located at 8662 Hampton Bay Place, Mason, Ohio ("8662 Hampton Bay"), and defendant **KURLEMANN** and Long Cove Management, LLC were the builder/owners of the residence located at 8657 Emerald Isle, Mason, Ohio ("8657 Emerald Isle").

5. Defendant **BRYAN SANNEMAN** owned and operated a residential development construction business known as Sanneman Homes, Inc., Mason, Ohio. Defendant **SANNEMAN** and Sanneman Homes, Inc. were the builder/owners of the residence located at 8670 Hampton Bay Place, Mason, Ohio ("8670 Hampton Bay").

6. A.M., an individual known to the Grand Jury, was a mortgage broker with Columbia Financial Group, Inc., Dayton, Ohio. A.M. was a close associate of defendant **ERIC D. DUKE**.

7. Francisca Webster was a client and close associate of defendant **ERIC D. DUKE**.

8. Christopher Gagnon was a client of defendant **ERIC D. DUKE**.

9. Washington Mutual Bank was a financial institution, the deposits of which were insured by the Federal Deposit Insurance Corporation, Certificate No. 32633.

10. Franklin Financial was a private lending company that funded mortgage loans to individuals and was serviced by EMC Mortgage Corporation, a division of which was First Collateral Services, Inc.

11. Defendants **TERRENCE J. MONAHAN, JR., BERNARD J. KURLEMANN**, and **BRYAN SANNEMAN** each entered into separate agreements with defendant **ERIC D. DUKE** to sell their respective properties through false statements and material misrepresentations to the mortgage lenders when their properties were sold to Francisca Webster or Christopher Gagnon who were acting a straw buyers.

12. A.M. and Columbia Financial Group, Inc. brokered all of the fraudulent transactions.

13. Defendants **ERIC D. DUKE** and **BRYAN SANNEMAN** participated in a conspiracy to knowingly make false statements to a bank for the purpose of influencing in any way the actions of the bank on a loan when Francisca Webster purchased 8670 Hampton Bay, as described in Count One of the Indictment.

14. Defendants **ERIC D. DUKE** and **TERRENCE J. MONAHAN, JR.** participated in a conspiracy to commit wire fraud by making material misrepresentations to the lender in order to obtain a loan when Francisca Webster purchased 298 Southwind, as described in Count Three of the Indictment.

15. Defendants **ERIC D. DUKE** and **BERNARD J. KURLEMANN** participated in a conspiracy to knowingly make false statements to a bank for the purpose of

influencing in any way the actions of the bank on a loan when Francisca Webster purchased 8662 Hampton Bay and Christopher Gagnon purchased 8657 Emerald Isle, as described in Count Five of the Indictment.

16. From at least in or about May 2006 to in or about August 2007, in the Southern District of Ohio, defendants **ERIC D. DUKE** and **BRYAN SANNEMAN** conspired and agreed together, and with others known and unknown to the Grand Jury, to commit an offense against the United States, that is, loan fraud, in violation of Title 18, United States Code, Section 1014.

MANNER AND MEANS

17. It was part of the conspiracy that defendants **ERIC D. DUKE** and **BRYAN SANNEMAN** knowingly made a false statement to Washington Mutual Bank (“the bank”) for the purpose of influencing in any way the bank’s action on a loan when Francisca Webster (“Webster”) purchased 8670 Hampton Bay by submitting a Uniform Residential Loan Application Form 1003 (which forms included supporting documentation) (“loan application”) and a HUD-1 Settlement Statement (“settlement statement”) containing false information to obtain a loan from the bank.

It was further part of the conspiracy that:

18. Defendant **BRYAN SANNEMAN** listed 8670 Hampton Bay with his mother, P.S., a co-conspirator being charged elsewhere, who was a real estate agent with Sibcy Cline Realtors, Cincinnati, Ohio. The listed purchase price in or about May 2006 was \$1,500,000.00, and the listing detailed a finished walk-out lower level. Defendant

SANNEMAN's representative showed defendant **ERIC D. DUKE** the property for defendant **DUKE** to purchase.

19. Webster agreed to act as a straw buyer at defendant **ERIC D. DUKE**'s request and purchase 8670 Hampton Bay in name only.

20. Defendant **ERIC D. DUKE** provided fraudulent information for the loan applications to A.M. who then submitted the loan applications in Webster's name with fraudulent information, including false monthly income information and asset information. False supporting asset documentation included fictitious account statements from Exclusive Capital Management, a division of Huntington National Bank, showing assets of approximately \$1,900,000.00.

21. Defendant **BRYAN SANNEMAN** submitted an agreement of sale falsely stating that he had received a \$400,000.00 down payment from Webster when no such down payment was ever made or received. Defendant **SANNEMAN** also sent a letter to the lender stating that the he had received the \$400,000.00 down payment.

OVERT ACTS

In furtherance of the conspiracy, defendants **ERIC D. DUKE** and **BRYAN SANNEMAN** and others known and unknown to the Grand Jury, committed the following overt acts in the Southern District of Ohio:

a. On or about May 15, 2006, defendant **BRYAN SANNEMAN** signed an agreement of sale with Webster to sell the property located at 8670 Hampton Bay for \$2,000,000.00. In the contract, defendant **SANNEMAN** falsely stated that he had received a down payment of \$400,000.00 toward Webster's purchase of the property.

b. On or about September 9, 2006, defendant **ERIC D. DUKE** provided fraudulent information for two loan applications on behalf of Webster for a \$1,300,000.00 loan and a \$300,000.00 loan to purchase 8670 Hampton Bay. The loan applications contained several false statements including but not limited to Webster's employer, Rivendale Property Management, her monthly income of approximately \$41,000.00, assets of approximately \$1,241,472.00, and \$400,000.00 earnest money.

c. On or about October 17, 2006, defendant **BRYAN SANNEMAN** sent a letter to the lender stating that he had received the \$400,000.00 down payment from Webster per the purchase agreement dated May 15, 2006 when no such down payment had been made or received.

d. On or about October 17, 2006, P.S., on behalf of defendant **BRYAN SANNEMAN**, sent a letter to the lender stating that the purchase price was more than the listed price because the lower-level had been completed. The lower-level had already been completed when the property was listed at \$1,500,000.00 sales price in May 2006.

e. On or about November 7, 2006, defendant **ERIC D. DUKE** provided fraudulent information for another loan application on behalf of Webster for a \$1,600,000.00 loan to purchase 8670 Hampton Bay. The loan application contained several false statements including but not limited to Webster's employer, Rivendale Management, her monthly income of approximately \$41,000, a stock-trust account of approximately \$1,950,000.00, and \$400,000.00 earnest money.

f. On or about November 22, 2006, a closing was held for 8670 Hampton Bay. At the closing, defendant **BRYAN SANNEMAN** signed a settlement statement that

contained false statements including but not limited to, the false representation of the purchase price of \$2,000,000.00, that Webster was the real buyer, that Sibcy Cline was entitled to a \$120,000.00 real estate commission, and that defendant **SANNEMAN** had received \$400,000.00 earnest money when he had not received any down payment.

g. On or about November 22, 2006, the bank disbursed loan proceeds of approximately \$1,600,000.00 for the purchase of 8670 Hampton Bay.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO

(Loan fraud: 18 U.S.C. §§ 1014 and 2)

22. The Grand Jury realleges and incorporates by reference paragraphs 1, 5 - 7, 9, 11 - 13, 17 - 20, and Overt Acts a - g of Count One of the Indictment as though set forth in full herein.

23. From on or about May 15, 2006 to on or about November 22, 2006, in the Southern District of Ohio and elsewhere, defendants **ERIC D. DUKE** and **BRYAN SANNEMAN** knowingly made and caused to be made to Washington Mutual Bank a false statement for the purpose of influencing in any way the actions of Washington Mutual Bank upon an application, purchase, purchase agreement, and loan, that is, approval of a loan for the purchase of the property located at 8670 Hampton Bay and disbursement of loan proceeds the amount of approximately \$1,600,000.00 with false statements as described in paragraphs 17 - 20 and Overt Acts a - g of Count One of the Indictment.

All in violation of Title 18, United States Code, Sections 1014 and 2.

COUNT THREE

(Conspiracy to commit wire fraud: 18 U.S.C. § 1349)

24. The Grand Jury realleges and incorporates by reference paragraphs 1 - 3, 6 - 7, 10 - 12, and 14 of the Indictment as though set forth in full herein.

25. From at least in or about May 2006 to in or about August 2007, in the Southern District of Ohio and elsewhere, defendants **ERIC D. DUKE** and **TERRENCE J. MONAHAN, JR.**, conspired and agreed together, and with others known and unknown to the Grand Jury, to commit an offense against the United States, that is, wire fraud, in violation of Title 18, United States Code, Section 1343.

MANNER AND MEANS

26. It was part of the conspiracy that defendant **ERIC D. DUKE** and **TERRENCE J. MONAHAN, JR.**, knowingly and with intent to defraud, devised and intended to devise a scheme and artifice to defraud Franklin Financial (“the lender”), and obtain money or property, by means of false and fraudulent pretenses, representations, and promises when Francisca Webster (“Webster”) purchased 298 Southwind by submitting a Uniform Residential Loan Application Form 1003 (which forms included supporting documentation) (“loan application”) and a HUD-1 Settlement Statement (“settlement statement”) containing material misrepresentations and omissions to the lender in order to obtain a loan.

It was further part of the conspiracy that:

27. Defendant **TERRENCE J. MONAHAN, JR.** and M.M. purchased a residence located at 11385 Grandstone Lane, Cincinnati, Ohio on or about July 13, 2006 for

approximately \$1,235,000.00. Defendant **TERRENCE J. MONAHAN, JR.** and M.M. still owned 298 Southwind at that time.

28. Defendant **TERRENCE J. MONAHAN, JR.** discussed selling his residence at 298 Southwind to defendant **ERIC D. DUKE.**

29. Webster agreed to act as a straw buyer at defendant **ERIC D. DUKE's** request and purchase 298 Southwind in name only.

30. Defendant **TERRENCE J. MONAHAN, JR.** provided defendant **ERIC D. DUKE** with an account statement of one of defendant **MONAHAN's** customers in order for defendant **DUKE** to prepare fraudulent supporting asset documentation for Webster to purchase 298 Southwind.

31. Defendant **ERIC D. DUKE** provided fraudulent information for the loan applications to A.M. who then submitted the loan applications in Webster's name with fraudulent information, including false monthly income information and asset information. False supporting asset documentation included fictitious account statements from Exclusive Capital Management, a division of Huntington National Bank, defendant **TERRENCE J. MONAHAN, JR.'s** employer, showing assets of approximately \$1,900,000.00.

32. Defendants **ERIC D. DUKE** and **TERRENCE J. MONAHAN, JR.** knowingly transmitted and caused to be transmitted in interstate commerce, by means of wire certain writings, signs, signals, pictures, and sound (including a wire transfer of funds), for the purpose of executing the scheme to defraud.

OVERT ACTS

In furtherance of the conspiracy, defendants **ERIC D. DUKE** and **TERRENCE J. MONAHAN, JR.** and others known and unknown to the Grand Jury, committed the following overt acts in the Southern District of Ohio:

a. On or about October 4, 2006, defendant **ERIC D. DUKE** provided fraudulent information on behalf of Webster for two loan applications for a \$464,000.00 loan and a \$116,000.00 loan to purchase 298 Southwind. The loan applications contained several material misrepresentations including but not limited to Webster's employer, Rivendale Management, her monthly income of approximately \$41,000, and a stock-trust account of approximately \$1,950,000.00. The asset information was supported by a fictitious account statement from Exclusive Capital Management identifying defendant **TERRENCE J. MONAHAN, JR.** as both the relationship manager and investment officer.

b. On or about October 15, 2006, defendant **TERRENCE J. MONAHAN, JR.** and M.M. signed a purchase contract with Webster to sell the property located at 298 Southwind for \$580,000.00.

c. On or about December 22, 2006, defendant **ERIC D. DUKE** provided fraudulent information on behalf of Webster for another loan application for \$464,000.00 to purchase 298 Southwind. The loan application contained several material misrepresentations including but not limited to Webster's employer, Rivendale Management, her monthly income of approximately \$41,000 and a stock-trust account of approximately \$1,950,000. The asset information was supported by a fictitious account statement from Exclusive Capital Management

identifying defendant **TERRENCE J. MONAHAN, JR.** as both the relationship manager and investment officer.

d. On or about December 22, 2006, a closing was held for 298 Southwind. At the closing, defendant **TERRENCE J. MONAHAN, JR.** and M.M. signed two settlement statements for a loan of approximately \$464,000.00 and a loan of approximately \$116,000.00 from the lender that contained material misrepresentations including but not limited to, the false representation that Webster was the buyer and the material omission that defendant **ERIC D. DUKE** was going to receive approximately \$70,000.00 of the loan proceeds.

e. On or about December 22, 2006, the lender wired the loan proceeds in two wire transfers, one for approximately \$462,570.10 and one for approximately \$115,072.80 to the settlement agent Metropolitan Title Agency, Inc. for the purchase of 298 Southwind. Defendant **TERRENCE J. MONAHAN, JR.** and M.M. received approximately \$100,942.39 of loan proceeds into their Huntington National Bank account from the sale of 298 Southwind.

f. On or about December 23, 2006, defendant **TERRENCE J. MONAHAN, JR.** met defendant **ERIC D. DUKE** to give defendant **DUKE** approximately \$8,000.00 in cash.

g. On or about December 27, 2006, defendant **TERRENCE J. MONAHAN, JR.** wired approximately \$62,393.61 from defendant **MONAHAN** and M.M.'s account at Huntington National Bank to defendant **ERIC D. DUKE's** account at National City Bank.

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

COUNT FOUR

(Wire fraud: 18 U.S.C. §§ 1343 and 2)

32. The Grand Jury realleges and incorporates by reference paragraphs 1 - 3, 6 - 7, 10 - 12, 14, and 26 - 32 of the Indictment and Overt Acts a - g of Count Three of the Indictment as though set forth in full herein.

33. On or about December 22, 2006, in the Southern District of Ohio and elsewhere, defendants **ERIC D. DUKE** and **TERRENCE J. MONAHAN, JR.**, for the purpose of executing and attempting to execute the conspiracy as described in Count Three of the Indictment, knowingly devised and intended to devise a scheme and artifice to defraud and obtain money and property by means of false and fraudulent pretense, representations, and promises, and transmitted or caused to be transmitted in interstate commerce, by means of wire, radio, or television communications, certain writing, signs, signals, pictures or sounds (including the wire transfer of funds), for the purpose of executing the such scheme and artifice to defraud.

34. The purpose of the scheme to defraud was to fraudulently obtain a loan to purchase the property located at 298 Southwind through material misrepresentations and omissions as described in Count Three of the Indictment.

35. As part of the scheme to defraud, on or about December 22, 2006, defendants **ERIC D. DUKE** and **TERRENCE J. MONAHAN, JR.** knowingly transmitted and caused to be transmitted two interstate wire transfers, one in the amount of approximately \$462,570.10 and one in the amount of approximately \$115,072.80 from Franklin Financial via First Collateral Services, Inc. to Metropolitan Title Agency Inc., through account number x6152.

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

COUNT FIVE

(Conspiracy to commit loan fraud: 18 U.S.C. § 371)

36. The Grand Jury realleges and incorporates by reference paragraphs 1, 4, 6 - 9, 11 - 12, and 15 of the Indictment as though set forth in full herein.

37. From at least in or about May 2006 to in or about August 2007, in the Southern District of Ohio, defendants **ERIC D. DUKE** and **BERNARD J. KURLEMANN** conspired and agreed, together and with others known and unknown to the Grand Jury, to commit an offense against the United States, that is, loan fraud, in violation of Title 18, United States Code, Section 1014.

MANNER AND MEANS

38. It was part of the conspiracy that defendants **ERIC D. DUKE** and **BERNARD J. KURLEMANN** knowingly made a false statement to Washington Mutual Bank (“the bank”) for the purpose of influencing in any way the bank’s action on a loan when Francisca Webster (“Webster”) purchased 8662 Hampton Bay and Christopher Gagnon (“Gagnon”) purchase 8657 Emerald Isle by each submitting a Uniform Residential Loan Application Form 1003 (which forms included supporting documentation) (“loan application”) and HUD-1 Settlement Statement (“settlement statement”) containing false information to obtain a loan from the bank.

It was further part of the conspiracy that:

39. Defendant **ERIC D. DUKE**, in his capacity as an interior designer, staged properties for defendant **BERNARD J. KURLEMANN**.

40. Defendant **BERNARD J. KURLEMANN** or his representative showed defendant **ERIC D. DUKE** 8662 Hampton Bay and 8657 Emerald Isle for the purpose of defendant **DUKE** to purchase the properties.

41. Webster agreed to act as a straw buyer at defendant **ERIC D. DUKE's** request and purchase 8662 Hampton Bay in name only.

42. Gagnon agreed to act as a straw buyer at defendant **ERIC D. DUKE's** request and purchase 8657 Emerald Isle in name only.

43. Defendant **ERIC D. DUKE** provided fraudulent information for the loan applications to A.M. who then submitted the loan applications in Webster and Gagnon's names with fraudulent information, including false monthly income information, asset information, and down payment information.

44. Defendant **BERNARD J. KURLEMANN** signed an addendum to a purchase contract falsely stating that he had received a \$200,000.00 down payment from Webster for the purchase of 8662 Hampton Bay.

45. Defendant **BERNARD J. KURLEMANN** signed a purchase contract falsely stating that he had received a \$280,000.00 deposit from Gagnon for the purchase of 8657 Emerald Isle.

OVERT ACTS

In furtherance of the conspiracy, defendants **ERIC D. DUKE** and **BERNARD J. KURLEMANN** and others known and unknown to the Grand Jury, committed the following overt acts in the Southern District of Ohio:

- a. On or about October 16, 2006, defendant **BERNARD J. KURLEMANN** signed a purchase contract to sell the property located at 8662 Hampton Bay to Webster for \$2,300,000.00.
- b. On or about November 9, 2006, defendant **BERNARD J. KURLEMANN** signed another purchase contract to sell the property located at 8662 Hampton Bay to Webster for \$1,979,000.00.
- c. Defendant **BERNARD J. KURLEMANN** signed an addendum to the November 9, 2006 purchase contract stating that defendant **KURLEMANN** accepted a payment of \$229,000.00 from Webster to be applied as "\$200,000.00 for down payment and \$29,000.00 for personal property to meet qualifications for the loan as specified by the Lender" and that such money was received on December 1, 2006 when in fact, no such money was received.
- d. On or about December 11, 2006, defendant **ERIC D. DUKE** provided fraudulent information on behalf of Webster for a loan application in the amount of approximately \$1,779,121.00 to purchase 8662 Hampton Bay. The loan application contained several false statements including but not limited to Webster's employer, Rivendale Management, her monthly income of approximately \$41,000, a stock-trust account of approximately \$1,726,375.00, and \$200,000 as "funds already down" and application deposit.
- e. On or about January 12, 2007, a closing was held for 8662 Hampton Bay. At the closing, defendant **BERNARD J. KURLEMANN**'s representative, C.T., an individual known to the Grand Jury, signed a settlement statement for a loan of approximately \$1,779,121.00 that contained false statements including but not limited to, the false representations that Webster was the real buyer and that defendant **KURLEMANN** had received

\$200,000.00 earnest money or excess deposit when defendant **KURLEMANN** had not received any down payment from Webster.

f. On or about January 12, 2007, the bank disbursed loan proceeds of approximately \$1,779,121.00 for the purchase of 8662 Hampton Bay. Defendant **BERNARD J. KURLEMANN** received approximately \$190,073.26 of loan proceeds from the sale of 8662 Hampton Bay.

g. On or about January 12, 2007, Webster signed a promissory note to pay defendant **BERNARD J. KURLEMANN** \$229,000.00 plus interest. This promissory note was not disclosed to the bank or on the settlement statement as the settlement statement indicated that an earnest money or excess deposit had already been made. The promissory note was filed with the Warren County Recorder's Office on or about March 2, 2007.

h. On or about February 1, 2007, defendant **BERNARD J. KURLEMANN** signed a purchase contract to sell the residence located at 8657 Emerald Isle to Gagnon for \$2,600,000.00 and falsely stated that Gagnon had paid a deposit of \$280,000.00 to defendant **KURLEMANN** at the signing of the contract when no down payment had been made or received.

i. On or about March 12, 2007, defendant **ERIC D. DUKE** provided false information on behalf of Gagnon for a loan application in the amount of approximately \$2,800,000.00 to purchase 8657 Emerald Isle. The loan application contained several false statements including but not limited to Gagnon's monthly income of approximately \$61,500 and that the property would be a primary residence.

j. On or about April 19, 2007, defendant **BERNARD J. KURLEMANN** signed a purchase contract, cancelling the February 1, 2007 purchase contract, to sell the residence located at 8657 Emerald Isle to Gagnon for \$2,800,000.00 and falsely stated that a deposit of \$280,000.00 shall be paid to defendant **KURLEMANN** prior to closing.

k. Defendant **BERNARD J. KURLEMANN** signed an addendum to the April 19, 2007 purchase contract that included justification for the increased purchase price and an addendum with the settlement agent, Renaissance Settlements, L.L.C. for acknowledgment and waiver of the increased purchase price.

l. On or about May 2, 2007, defendant **BERNARD J. KURLEMANN** instructed his representative C.T. to wire approximately \$280,000.00 from his Kurlemann Homes of Long Cove account into his Long Cove Management, LLC account.

m. On or about May 2, 2007, defendant **BERNARD J. KURLEMANN** wired approximately \$280,000.00 to defendant **ERIC D. DUKE**'s Rivendale account.

n. On or about May 3, 2007, defendant **ERIC D. DUKE** made a \$280,000.00 cashier's check payable to Gagnon from his Rivendale account and then immediately used that check to purchase another cashier's check made payable to Long Cove Management LLC for \$280,000.00 indicating Gagnon as the remitter.

o. On or about May 3, 2007, defendant **BERNARD J. KURLEMANN** signed a purchase contract to sell the residence located at 8657 Emerald Isle to Gagnon for \$2,800,000.00 falsely stating that Gagnon paid a deposit of \$280,000.00 to defendant **KURLEMANN** at the signing of the contract. Defendant **KURLEMANN** used the cashier's

check made payable to Long Cove Management LLC as proof of the down payment from Gagnon when in fact, no such deposit was made or received.

p. On or about July 25, 2007, defendant **ERIC D. DUKE** provided false information on behalf of Gagnon for a loan application in the amount of \$2,080,000.00 and a loan application in the amount of \$347,300.00 to purchase 8657 Emerald Isle. The loan applications contained several false statements including but not limited to Gagnon's monthly income of \$61,500, assets from Rivendale Management of approximately \$1,250,000, and earnest money of \$280,000.00.

q. On or about July 25, 2007, a closing was held for 8657 Emerald Isle. At the closing, defendant **BERNARD J. KURLEMANN** signed a settlement statement for a loan of approximately \$2,080,000.00 to purchase 8657 Emerald Isle that contained false statements including but not limited to, the false representations that Gagnon was the real buyer and that defendant **KURLEMANN** had received \$280,000.00 earnest money when defendant **KURLEMANN** had not received any earnest money. These same false statements were made to National City Bank, whose deposits were insured by the Federal Deposit Insurance Corporation, who approved a second mortgage in the amount of approximately \$347,300.00 for the purchase of 8657 Emerald Isle. Defendant **BERNARD J. KURLEMANN** received approximately \$305,716.98 of loan proceeds from the sale of 8657 Emerald Isle.

All in violation of Title 18, United States Code, Section 371.

COUNT SIX

(Loan fraud: 18 U.S.C. §§ 1014 and 2)

46. The Grand Jury realleges and incorporates by reference paragraphs 1, 4, 6 - 9, 11 - 12, 15, 36, and 38 - 45 of the Indictment and Overt Acts a - q of Count Five of the Indictment as though set forth in full herein.

47. On or about November 9, 2006 to on or about January 12, 2007, in the Southern District of Ohio and elsewhere, defendants **ERIC D. DUKE** and **BERNARD J. KURLEMANN** knowingly made and caused to be made to Washington Mutual Bank a false statement for the purpose of in any way influencing the actions of Washington Mutual Bank upon an application, purchase, purchase agreement, and loan, that is, approval of a loan for the purchase of the property located at 8662 Hampton Bay and disbursement loan proceeds the amount of approximately \$1,779,121.00 with false statements as described in paragraphs 36, 38 - 41, and 43 - 44 of the Indictment and Overt Acts a - g of Count Five of the Indictment.

All in violation of Title 18, United States Code, Sections 1014 and 2.

COUNT SEVEN

(Loan fraud: 18 U.S.C. §§ 1014 and 2)

48. The Grand Jury realleges and incorporates by reference Paragraphs 1, 4, 6 - 9, 11 - 12, 15, 36, and 38 - 45 of the Indictment and Overt Acts a - q of Count Five of the Indictment as though set forth in full herein.

49. On or about February 1, 2007 to on or about July 25, 2007, in the Southern District of Ohio and elsewhere, defendants **ERIC D. DUKE** and **BERNARD J. KURLEMANN** knowingly made and caused to be made to Washington Mutual Bank a false statement for the

purpose of influencing in any way the actions of Washington Mutual Bank and National City Bank upon an application, purchase, purchase agreement, and loan, that is, approval of two loans for the purchase of the property located at 8657 Emerald Isle and disbursements of loan proceeds the amount of approximately \$2,080,000.00 and \$347,300.00 with false statements as described in paragraphs 36, 38 - 40, 42 - 43, and 45 of the Indictment and Overt Acts h - q of Count Five of the Indictment.

All in violation of Title 18, United States Code, Sections 1014 and 2.

FORFEITURE ALLEGATION 1

Upon conviction of one or more of the offenses alleged in Count One (conspiracy to commit loan fraud) and Count Two (loan fraud) of this Indictment, defendants **ERIC D. DUKE and BRYAN SANNEMAN**, shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(c) and 28 U.S.C. § 2461(c) and/or 18 U.S.C. § 982(a)(2), any property constituting or derived from proceeds obtained directly or indirectly as a result of the said violations, including but not limited to a sum of money equal to the total amount of money in United States currency, representing the amount of proceeds obtained as a result of the offenses 18 U.S.C. § 371, conspiracy to commit loan fraud, and 18 U.S.C. § 1014, loan fraud, for which the defendants are jointly and severally liable.

All in accordance with 18 U.S.C. §§ 981(a)(1)(c) and 28 U.S.C. § 2461(c), and/or 18 U.S.C. § 982(a)(2), and Rule 32.2(a), Federal Rules of Criminal Procedure.

FORFEITURE ALLEGATION 2

Upon conviction of one or more of the offenses alleged in Count Three (conspiracy to commit wire fraud) and Count Four (wire fraud) of this Indictment, defendants

ERIC D. DUKE and **TERRENCE J. MONAHAN, JR.**, shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) and/or 18 U.S.C. § 982(a)(2), any property constituting or derived from proceeds obtained directly or indirectly as a result of the said violations, including but not limited to a sum of money equal to the total amount of money in United States currency, representing the amount of proceeds obtained as a result of the offenses, 18 U.S.C. § 1349, conspiracy to commit wire fraud and 18 U.S.C. § 1343, wire fraud, for which the defendants are jointly and severally liable.

All in accordance with 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), and/or 18 U.S.C. § 982(a)(2), and Rule 32.2(a), Federal Rules of Criminal Procedure.

FORFEITURE ALLEGATION 3

Upon conviction of one or more of the offenses alleged in Count Five (conspiracy to commit loan fraud) and Counts Six and Seven (loan fraud) of this Indictment, defendants **ERIC D. DUKE** and **BERNARD J. KURLEMANN**, shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(c) and 28 U.S.C. § 2461(c) and/or 18 U.S.C. § 982(a)(2), any property constituting or derived from proceeds obtained directly or indirectly as a result of the said violations, including but not limited to a sum of money equal to the total amount of money in United States currency, representing the amount of proceeds obtained as a result of the offenses 18 U.S.C. § 371, conspiracy to commit loan fraud, and 18 U.S.C. § 1014, loan fraud, for which the defendants are jointly and severally liable.

All in accordance with 18 U.S.C. §§ 981(a)(1)(c) and 28 U.S.C. § 2461(c), and/or 18 U.S.C. § 982(a)(2), and Rule 32.2(a), Federal Rules of Criminal Procedure.

SUBSTITUTE ASSETS

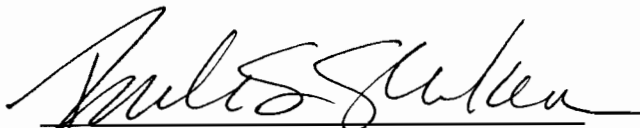
If any of the above-described forfeitable property, as a result of any act or omission of the defendants: (1) cannot be located upon the exercise of due diligence; (2) has been transferred or sold to, or deposited with, a third party; (3) has been placed beyond the jurisdiction of the court; (4) has been substantially diminished in value; or (5) has been commingled with other property which cannot be divided without difficulty; it is the intent of the United States, pursuant to 21 U.S.C. § 853(p) as incorporated by 18 U.S.C. § 982(b), to seek forfeiture of any other property of said defendants up to the value of the forfeitable property described above.

A TRUE BILL:



GRAND JURY FOREPERSON

**CARTER M. STEWART
UNITED STATES ATTORNEY**



**BRENDA SHOEMAKER
FINANCIAL CRIMES CHIEF**