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UNITED STATES OF AMERICA

WESTERN DISTRICT OF LOUISIANA

SHREVEPORT DIVISION

UNITED STATES OF AMERICA

CRIMINAL NO. 09-00103

VS.

JUDGE HICKS

WILLIAM EVERETT NICHOLS

MAGISTRATE JUDGE HORNSBY

**INDICTMENT**

THE GRAND JURY CHARGES:

COUNT 1

Conspiracy - Bank Fraud

18 U.S.C. § 371

A. AT ALL TIMES MATERIAL HEREIN.

1. WILLIAM EVERETT NICHOLS, is the President and sole shareholder of First Fidelity Mortgage, Inc.

2. First Fidelity Mortgage, Inc., is a Louisiana corporation doing business as Southern Funding. Southern Funding is engaged in the mortgage lending business and provides residential mortgages to individuals in the central Louisiana area.

3. Sabine State Bank and Trust Company in Many, Louisiana, (hereafter, "Sabine State Bank") is a financial institution whose deposits are insured by the Federal Deposit Insurance Corporation.

4. Sabine State Bank provides a line of credit to First Fidelity Mortgage, Inc., that is used to fund mortgages for First Fidelity Mortgage's customers. The line of credit is secured by customer notes pledged by First Fidelity Mortgage, Inc., to Sabine State Bank.

B. THE CONSPIRACY.

Beginning sometime in 2008, the exact date being unknown to the Grand Jury, and continuing until on or about March 31, 2009, in the Western District of Louisiana and elsewhere, the Defendant, WILLIAM EVERETT NICHOLS, did knowingly and willfully conspire, confederate, and agree with others, both known and unknown to the Grand Jury, to commit offenses against the United States in violation of Title 18, United States Code, Section 1344, by submitting false documents and engaging in other activities for the purpose of executing a scheme and artifice to defraud and obtain money from Sabine State Bank.

C. OBJECT OF THE CONSPIRACY.

The primary object of the conspiracy and of the scheme and artifice to defraud was to obtain money to which the Defendant, WILLIAM EVERETT NICHOLS, was not entitled.

D. MANNER AND MEANS OF ACCOMPLISHING OBJECT OF THE CONSPIRACY.

The Defendant, WILLIAM EVERETT NICHOLS, and others, engaged in numerous activities to accomplish the object of the conspiracy and the scheme and artifice to defraud. Such activities included, but are not limited to:

1. The Defendant and others known and unknown to the Grand Jury prepared fraudulent notes by forging signatures of borrowers and notaries public.

2. Once the fraudulent notes were prepared, the Defendant would deliver them or cause them to be delivered to Sabine State Bank as collateral in order to cause Sabine State Bank to deposit money into an account of First Fidelity Mortgage, Inc.

3. First Fidelity Mortgage's bank accounts were controlled by WILLIAM EVERETT NICHOLS.

E. OVERT ACTS:

In furtherance of the conspiracy and to effect the object thereof, the Defendant, WILLIAM EVERETT NICHOLS, and others, performed or caused to be performed the following overt acts, among others, in the Western District of Louisiana and elsewhere:

1. On or about the dates listed in the following overt acts, the Defendant, WILLIAM EVERETT NICHOLS, for the purpose of executing the aforesaid scheme and artifice to defraud and attempting to do so, provided the following forged notes in the following amounts to Sabine State Bank:

Overt Act Number	Date of Note	Date Note Provided to Sabine State Bank	Initials of Borrower(s)	Amount of Note
1	11-12-2008	11-17-2008	M.J.Y.	\$84,000
2	11-20-2008	11-25-2008	D.W.B	\$104,000
3	12-12-2008	12-17-2008	R.L.B.	\$91,000
4	12-17-2008	12-22-2008	W.F.J.B.	\$65,500
5	12-17-2008	12-22-2008	M.B.F.	\$169,000
6	01-28-2009	02-02-2009	G.F.G.G.	\$44,000

2. Further, the allegations of Counts 2 are alleged and incorporated as though fully set forth herein as separate overt acts.

All in violation of Title 18, United States Code, Section 371 [18 U.S.C. § 371].

COUNT 2  
Bank Fraud  
18 U.S.C. § 1344

A. Beginning on or about November 1, 2008, and continuing until on or about March 5, 2009, the Defendant, WILLIAM EVERETT NICHOLS, devised a scheme and artifice to defraud and to obtain money owned by or under the custody and control of Sabine State Bank and Trust Company, a financial institution whose deposits are insured by the Federal Deposit Insurance Corporation.

B. The allegations in Count 1, paragraphs A, B, C, D, and E are realleged and incorporated by reference as though set forth in full herein as the scheme to defraud.


C. On or about the dates set forth below, in the Western District of Louisiana, the defendant executed the scheme and artifice to defraud by causing Sabine State Bank and Trust Company to issue the following funds to First Fidelity Mortgage, Inc.:

Date	Funds Issued to Fidelity Mortgage, Inc.
November 18, 2008	\$84,000
November 26, 2008	\$104,000
December 17, 2008	\$91,000
December 22, 2008	\$234,500
February 9, 2009	\$44,000

All in violation of Title 18, United States Code, Sections 1344 and 2 [18 U.S.C. §§ 1344 & 2].

A TRUE BILL:

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