

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION

FILED IN OPEN COURT
FEB 1 2 2007
CHARLES R. DIARD JR.
CLERK

UNITED STATES OF AMERICA

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v.

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CRIMINAL NO. 06-00118-CG

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DARLENE HILL

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PLEA AGREEMENT

The defendant, DARLENE HILL, represented by her counsel, and the United States of America have reached a Plea Agreement in this case, pursuant to Rule 11 of the Federal Rules of Criminal Procedure, the terms and conditions of which are as follows:

RIGHTS OF THE DEFENDANT

1. The defendant understands her rights as follows:
 - a. To be represented by an attorney;
 - b. To plead not guilty;
 - c. To have a trial by an impartial jury;
 - d. To confront and cross-examine witnesses and to call witnesses and produce other evidence in her defense;
 - e. To not be compelled to incriminate herself.

WAIVER OF RIGHTS AND PLEA OF GUILTY

2. The defendant waives rights b through e, listed above, and pleads guilty to Count 1

of the Indictment, charging a violation of Title 18, United States Code, Section 1343 and Count 5 charging a violation of Title 18, United States Code, Section 1014.

3. The defendant understands that the statements she makes under oath in the plea of guilty must be completely truthful and that she can be prosecuted for making false statements or perjury for any false statements she makes intentionally in this plea of guilty.

3. The defendant expects the Court to rely upon her statements here and her response to any questions that she may be asked during the guilty plea hearing.

4. The defendant is not under the influence of alcohol, drugs, or narcotics. She is certain that she is in full possession of her senses and mentally competent to understand this Plea Agreement and the guilty plea hearing which will follow.

5. The defendant has had the benefit of legal counsel in negotiating this Plea Agreement. She has discussed the facts of the case with her attorney, and her attorney has explained to the defendant the essential legal elements of the criminal charge(s) which has/have been brought against her. The defendant's attorney has also explained to the defendant his understanding of the United States' evidence.

6. The defendant understands that the United States has the burden of proving each of the legal elements of the criminal charge(s) beyond a reasonable doubt. The defendant and her counsel have discussed possible defenses to the charge(s). The defendant believes that her attorney has represented her faithfully, skillfully, and diligently, and she is completely satisfied with the legal advice of her attorney.

7. A separate document, entitled Factual Resume, will be submitted to the Court as evidence at the guilty plea hearing. The Factual Resume is incorporated by reference into this

Plea Agreement. The defendant and the United States agree that the Factual Resume is true and correct.

8. This plea of guilty is freely and voluntarily made and is not the result of force, threats, promises, or representations apart from those set forth in this Plea Agreement. There have been no promises from anyone as to the particular sentence that the Court may impose. The defendant avers that she is pleading guilty because she knows that she is guilty.

PENALTY

9. The maximum penalty the Court could impose as to Count One of the Indictment is:

- a. 30 years imprisonment;
- b. A \$ 1,000,000 fine;
- c. A term of supervised release of 5 year, which would follow any term of imprisonment. If the defendant violates the conditions of supervised release, she could be imprisoned for the entire term of supervised release;
- d. A mandatory special assessment of \$100.00.
- e. Restitution as determined by the Court

The maximum penalty the Court could impose as to Count Five of the Indictment is:

- a. 30 years imprisonment;
- b. A \$1,000,000 fine;
- c. A term of supervised release of 5 years, which would follow any term of imprisonment. If the defendant violates the conditions of supervised release, she could be imprisoned for the entire term of supervised release;
- d. A mandatory special assessment of \$100.00.

- e. Restitution as determined by the Court.

SENTENCING

10. The Court will impose the sentence in this case. The United States Sentencing Guidelines apply in an advisory manner to this case. The defendant has reviewed the application of the Guidelines with her attorney and understands that no one can predict with certainty what the sentencing range will be in this case until after a pre-sentence investigation has been completed and the Court has ruled on the results of that investigation. The defendant understands that at sentencing, the Court may not necessarily sentence the defendant in accordance with the Guidelines. The defendant understands that she will not be allowed to withdraw her guilty plea if the applicable guideline range is higher than expected, if the Court departs from the applicable advisory guideline range, or if the Court imposes a sentence notwithstanding the Guidelines.

11. The United States may provide all relevant sentencing information to the Probation Office for purposes of the pre-sentence investigation. Relevant sentencing information includes, but is not limited to, all facts and circumstances of this case and information concerning the defendant's conduct and background.

12. The defendant understands that this Plea Agreement does not create any right to be sentenced in accordance with the Sentencing Guidelines, or below or within any particular guideline range, and fully understands that determination of the sentencing range or guideline level, or the actual sentence imposed, is solely the discretion of the Court.

13. Both the defendant and the United States are free to allocute fully at the time of



sentencing.

14. The defendant agrees to tender \$200.00 to the U.S. District Court Clerk in satisfaction of the mandatory special assessment in this case. The United States reserves the right to withdraw any favorable recommendations it may agree to within this document if the defendant fails to pay the special assessment prior to or at the time of her sentencing.

15. The defendant agrees to pay restitution in an exact amount to be determined by the Court. This restitution is specifically not limited to the counts of conviction but is intended to encompass restitution for all relevant conduct. The United States has advised the defendant that

it expects restitution to be between \$7,000,000.00 to \$9,000,000.00. EXCEPT FOR STONEBROOK DRIVE NORTH ADDRESS WHICH MAY BE VOLUNTARILY FORFEITED OR OTHER

16. The defendant agrees to forfeiture of the property identified in the indictment as well as the administrative forfeiture of her Porsche automobile.

IF NOT RESOLVED BETWEEN THE PARTIES, THAT PROPERTY WILL BE RESOLVED BY COURT.  

UNITED STATES' OBLIGATIONS

16. The United States will not bring any additional charges against the defendant related to the facts underlying the Indictment. This agreement is limited to the United States Attorney's Office for the Southern District of Alabama and does not bind any other federal, state, or local prosecuting authorities.

17. The United States will recommend to the Court that the defendant be sentenced at the low end of the applicable advisory sentencing guideline range as determined by the Court.

APPLICATION OF U.S.S.G. § 5K1.1 AND/OR FED.R.CRIM.P. 35

18. If the DEFENDANT agrees to cooperate with the United States, she agrees to the following terms and conditions:

a. The DEFENDANT shall fully, completely, and truthfully respond to all

questions put to him/her by law enforcement authorities regarding the underlying facts of the offense(s) with which she is charged, as well as the underlying facts of **any** criminal offense(s), state or federal, of which she has information or knowledge.

- b. The DEFENDANT acknowledges that she understands that she shall provide **truthful and complete** information regarding **any** offense about which she has knowledge or information regardless of whether or not law enforcement authorities question him/her specifically about any such offense. This provision requires the DEFENDANT to divulge all information available to him/her even when law enforcement authorities do not know about the DEFENDANT's involvement, knowledge or information relating to any particular offense. This requirement extends to **any and all persons** about whom the DEFENDANT has such knowledge or information.
- c. The DEFENDANT agrees to cooperate completely with all law enforcement authorities in any matters to which his/her cooperation may be deemed relevant by any law enforcement authority. The DEFENDANT agrees to fully comply with all instructions from law enforcement authorities regarding the specific assistance she shall provide. This includes, but is not limited to, consenting to monitored and/or recorded telephone conversations, participating in undercover operations, testifying **completely and truthfully** before any grand jury, at any pre-trial proceeding, during any trial, and any post-trial proceeding.
- d. If the United States deems it necessary, the DEFENDANT may be required to

take a polygraph examination(s) which will be administered by a government polygrapher. The DEFENDANT agrees that the results of any polygraph examination may be used by the United States in its evaluation of whether or not there has been substantial assistance, and are admissible at sentencing to rebut an assertion by the DEFENDANT of bad faith or unconstitutional motive on the part of the United States.

- e. The DEFENDANT agrees to turn over to the United States any and all documents, tapes and other tangible objects which are in his/her possession or under his/her control and which are relevant to his/her participation in and knowledge of criminal activities whether relating to the charged offense or not. This obligation is a continuing one and includes materials that the DEFENDANT may acquire, obtain or have access to after the execution of this agreement.
- f. If the DEFENDANT provides full, complete, truthful and substantial cooperation to the United States, which results in substantial assistance to the United States in the investigation or prosecution of another criminal offense, a decision specifically reserved by the United States in the exercise of its sole discretion, then the United States agrees to move for a downward departure in accordance with Section 5K1.1 of the United States Sentencing Guidelines or Rule 35 of the Federal Rules of Criminal Procedure, whichever the United States deems applicable. The United States specifically reserves the right to make the decision relating to the extent of any such departure request made

under this agreement based upon its evaluation of the nature and extent of the DEFENDANT's cooperation. The DEFENDANT understands that the United States will make no representation or promise with regard to the exact amount of reduction, if any, the United States might make in the event that it determines that the DEFENDANT has provided substantial assistance. The DEFENDANT understands that a mere interview with law enforcement authorities does not constitute substantial assistance for this purpose. The DEFENDANT also understands that should she provide untruthful information to the United States at any time, or should she fail to disclose material facts to the United States at any time, the United States will not make a motion for downward departure. If the DEFENDANT's effort to cooperate with the United States does not amount to substantial assistance as determined solely by the United States, the United States agrees to recommend to the district court judge who sentences the DEFENDANT that the DEFENDANT receive a sentence at the low end of the applicable advisory guideline range.

- g. The United States and the DEFENDANT agree that any breach of this agreement by the DEFENDANT, including but not limited to committing a new offense, failing to cooperate, intentionally withholding information, giving false information, committing perjury, failing to identify assets obtained by him/her from his/her illegal activities or obtained by others associated with him/her or of which she has knowledge, refusing to take a polygraph examination, failing a polygraph examination, or refusing to testify before the

grand jury or at any judicial proceeding, would:

- (1) permit the United States to reinstate and proceed with prosecution on any other charges arising from the matters underlying the Indictment; and
- (2) permit the United States to instigate and proceed with the prosecution on any other charges arising from a breach of this agreement. The United States will not be limited, in any respect, in the use it may make against the DEFENDANT of any information provided by the DEFENDANT during his/her breached cooperation. Such breach will constitute a waiver of any claim the DEFENDANT could make under the United States Constitution, the Federal Rules of Evidence, the Federal Rules of Criminal Procedure, or any statute or case law by which the DEFENDANT seeks to suppress the use of such information or any evidence derived from such information.

- h. Nothing in this agreement shall protect the DEFENDANT in any way from prosecution for any offense committed after the date of this agreement, including perjury, false declaration, false statement, and obstruction of justice, should the DEFENDANT commit any of these offenses during his/her cooperation. The DEFENDANT acknowledges and agrees that the information and documents that she discloses to the United States pursuant to this agreement may be used against him/her in any such prosecution.

LIMITED WAIVER OF RIGHT TO APPEAL SENTENCE

19. The defendant acknowledges that she is aware that 18 U.S.C. § 3742 affords a

defendant the right to appeal the sentence imposed. In exchange for the recommendations made by the United States in this Plea Agreement, the defendant knowingly and voluntarily waives the right to appeal any sentence imposed in this case.

20. With the limited exceptions noted below, the defendant also waives her right to challenge any sentence so imposed, or the manner in which it was determined, in any collateral attack, including but not limited to, a motion brought under 28 U.S.C. § 2255.

21. The defendant reserves the right to contest in an appeal or post-conviction proceeding any of the following:

- i. Any punishment imposed in excess of the statutory maximum;
- ii. Any punishment that constitutes an upward departure from the guideline range;
- or
- iii. A claim of ineffective assistance of counsel.

22. In addition, the defendant reserves the right to petition the Court for resentencing pursuant to 18 U.S.C. § 3582 in the event of a future retroactive amendment to the Sentencing Guidelines which would affect the defendant's sentence.

VIOLATION OF AGREEMENT

23. The defendant understands that if she violates any provision of this agreement, the United States will be free from any obligations imposed by this agreement and will be free to prosecute the defendant on any charges of which it has knowledge. In such event, the defendant agrees not to assert any objections to prosecution that she might have under the 6th Amendment and/or Speedy Trial Act.

24. In addition, if the defendant is released from detention prior to sentencing, she

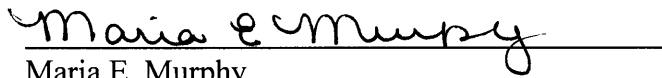
understands that the United States will no longer be bound by this agreement if she violates any condition of her release prior to sentencing or prior to serving her sentence after it is imposed.

ENTIRETY OF AGREEMENT

25. This document is the complete statement of the agreement between the defendant and the United States and may not be altered unless done so in writing and signed by all the parties.

Respectfully submitted,
DEBORAH J. RHODES
UNITED STATES ATTORNEY

Date: 2-12-07



Maria E. Murphy
Assistant United States Attorney

I have consulted with my counsel and fully understand all my rights with respect to the offense(s) charged in the Information pending against me. I have read this Plea Agreement and carefully reviewed every part of it with my attorney. I understand this agreement, and I voluntarily agree to it. I hereby stipulate that the Factual Resume, incorporated herein, is true and accurate in every respect, and that had the matter proceeded to trial, the United States could have proved the same beyond a reasonable doubt.

Date: 2/12/07

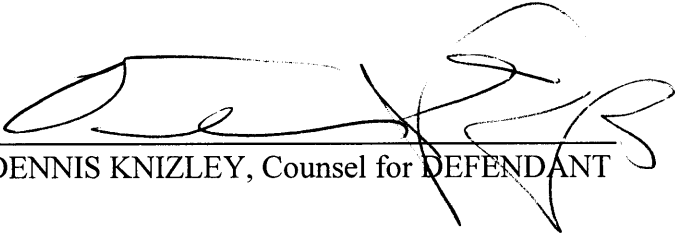


DARLENE HILL, DEFENDANT

I am the attorney for the defendant. I have fully explained her rights to her with respect to the offense(s) charged in the Information in this matter. I have carefully reviewed every part of this Plea Agreement with her. To my knowledge, her decision to enter into this agreement is an informed and voluntary one. I have carefully reviewed the Factual Resume, incorporated herein,

with the defendant and to my knowledge, her decision to stipulate to the facts is an informed, intelligent and voluntary one.

Date: 2/12/07


DENNIS KNIZLEY, Counsel for DEFENDANT

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF ALABAMA**

UNITED STATES OF AMERICA

v.

DARLENE HILL

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CRIMINAL NO. 06-00118-CG

FACTUAL RESUME

The defendant, **DARLENE HILL**, admits the allegations of Count One and Five of the Indictment.

ELEMENTS OF THE OFFENSE

HILL understands that in order to prove a violation of Title 18, United States Code, Section 1343, Wire Fraud, as charged in Count One of the Indictment, the United States must prove that:

1. The Defendant knowingly executed or attempted to execute a scheme or artifice;
2. Transmitted or caused to be transmitted a signal, by wire,
3. In interstate commerce;
4. For the purpose of executing such scheme or artifice.
5. This violation affects a financial institution.

HILL understands that in order to prove a violation of Title 18, United States Code, Section 1014, fraudulent loan application, as charged in Count Five of the Indictment, the United States must prove that:

1. That the defendant knowingly made a false statement or report to the financial institution described in the indictment.
2. That the deposits of the institution were insured by the Federal Deposit Insurance

Corporation; and

3. That the defendant submitted a false statement or report willfully and with intent to influence the action of the institution upon an application, advance, commitment or loan, or any change or extension thereof.

OFFENSE CONDUCT

The defendant admits that the United States could prove the following facts beyond a reasonable doubt:

DARLENE HILL set up a company called Harris Title and later, Rankin and Associates to do fraudulent loan closings. Darlene Hill recruited others included Jocelyn Easter to work for her and close these fraudulent loans included loans for an entity known as Sylvan Ross Properties which was also owned by Darlene Hill.

Sylvan Ross Properties was a company set up by Darlene Hill to purchase properties using “credit investors”, that is someone with a good credit score was recruited to obtain a mortgage for Darlene Hill. The fraudulent loan packet for the straw purchaser was then submitted to several banks including Regions Bank dba Regions mortgage. That person would receive a fee or bonus for being a straw purchaser. Hill was to make the mortgage payments for the property and attempt to flip the property for a profit.

In an effort to generate additional funds as part of this scheme, Hill would also conduct subsequent “transactions” which would transfer a property to a subsequent straw purchaser. She would not pay off the original mortgage. This had two benefits. She obtained the funds from a second closing on the same the property because she would not pay off the first mortgage. Additionally, the first straw purchaser could then be used to apply for another loan because a

title search would reveal the transfer by deed but not the outstanding mortgage.

Specifically, between September 17 through November 17 2005, Co-defendant Antonio Harrison submitted a fraudulent loan application for a straw purchaser provided by Darlene Hill in order to influence Regions Bank dba Regions Mortgage, a FDIC insured institution, to provide a \$202,500.00 mortgage. On November 17, 2005, Regions Mortgage transferred by wire \$202,500.00 in interstate commerce to Gulf Federal Bank account no. 016 010 811 004. Jocelyn ^{murphy} Easter was involved in the closing for this fraudulent loan.

DARLENE HILL RECEIVED THE FUNDS FROM THIS ACCOUNT, RATHER THAN PAY THE MORTGAGE FOR THE PROPERTY AS REPRESENTED TO REGIONS BANK.

The United States has advised the defendant that it believes that she is responsible for up to \$9,000,000.00 of total loss. The defendant reserves this issue to resolve at sentencing.



AGREED TO AND SIGNED.

Respectfully submitted,

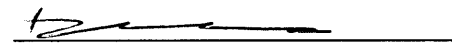
DEBORAH J. RHODES
UNITED STATES ATTORNEY
by:



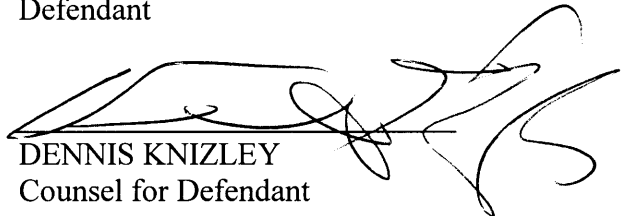
Date: 02-12-07


MARIA E. MURPHY
Assistant United States Attorney

Date: 2/12/07


DARLENE HILL
Defendant

Date: 2/12/07


DENNIS KNIZLEY
Counsel for Defendant