

FILED IN CHAMBERS
U.S.D.C. Atlanta

ORIGINAL

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

JUL 05 2005

LUTHER D. THOMAS, Clerk
By: *J. Wade Childs*
Deputy Clerk

UNITED STATES OF AMERICA :
 :
 v. :
 :
 CLARENCE LORENZO DAVIS, :
 a/k/a C. Dave Davis, and :
 VIRGINIA ROSE NOVRIT :

CRIMINAL INDICTMENT

NO.

1:05-CR-316

THE GRAND JURY CHARGES THAT:

COUNT ONE
Conspiracy
18 U.S.C. 371

1. From in or about January 2005 through on or about June 9, 2005, in the Northern District of Georgia, defendants CLARENCE LORENZO DAVIS, a/k/a C. Dave Davis, and VIRGINIA ROSE NOVRIT did willfully, knowingly and unlawfully combine, conspire, confederate, agree and have a tacit understanding with each other and others known and unknown to the Grand Jury, to commit certain offenses against the United States, including the following:

(a) To knowingly execute and attempt to execute a scheme and artifice to defraud insured depository financial institutions, as defined in Title 18, United States Code, Section 20, by knowingly submitting and causing to be submitted materially false qualifying information and documentation and other fraudulent representations to obtain mortgage loans from banks, in violation of Title 18, United States Code, Section 1344.

(b) To devise and intend to devise a scheme and artifice to defraud mortgage lenders of money and property by submitting and causing to be submitted materially false qualifying information and documentation and other fraudulent pretenses and representations to obtain mortgage loans, causing interstate wire communications to be made to obtain said loans and for other purposes, in furtherance of said scheme and artifice to defraud, in violation of Title 18, United States Code, Section 1343.

2. It was a part of the conspiracy and the objects thereof for defendants CLARENCE LORENZO DAVIS, a/k/a C. Dave Davis, and VIRGINIA ROSE NOVRIT to obtain and attempt to obtain mortgage loans in the name of defendant VIRGINIA ROSE NOVRIT for properties in the Atlanta, Georgia and Hilton Head, South Carolina area by causing to be submitted to mortgage brokers and lenders materially false and fraudulent qualifying information for borrower VIRGINIA ROSE NOVRIT related to one or more of the following:

(a) the employment of defendant VIRGINIA ROSE NOVRIT at C. Dave Davis, LLC, the company of defendant CLARENCE LORENZO DAVIS;

(b) the income, assets and liabilities of defendant VIRGINIA ROSE NOVRIT;

(c) the intended usage of certain property;

(d) the true purchase and sale price of certain properties; and/or

(e) the source of defendant NOVRIT'S down payment money.

3. In furtherance of this conspiracy, and to effect the objects and purposes thereof, various overt acts were committed by the defendants and their coconspirators within the Northern District of Georgia and elsewhere, including but not limited to the following:

Acts related to 5886 Seam St, 2830 Luther Dr and 4560 Old Lake Dr

(a) On or about February 2, 2005, defendants CLARENCE LORENZO DAVIS, a/k/a C. Dave Davis, and VIRGINIA ROSE NOVRIT met with a loan officer for Dream Homes Financial in Atlanta, Georgia, provided qualifying information for a mortgage loan for 5886 Seam Street and signed a loan application, falsely representing defendant NOVRIT to have a monthly income of \$15,250, to have been employed with defendant DAVIS' company, C. Dave Davis, LLC, for 2 years and to have been employed in this line of work for 9 years.

(b) On or about February 25, 2005, defendants CLARENCE LORENZO DAVIS, a/k/a C. Dave Davis, and VIRGINIA ROSE NOVRIT attended the closing of mortgage loans from Washington Mutual Bank, d.b.a. Long Beach Mortgage, for the purchase of 5886 Seam Street, 2830 Luther Drive and 4560 Old Lake Drive where defendant NOVRIT signed in the presence of the Atlanta closing attorney loan applications containing the false representations regarding her employment and income listed in paragraph 3(a) above.

Acts related to 13 Sams Point Lane, Hilton Head Island, SC

(c) In or about February 2005, defendants CLARENCE LORENZO DAVIS, a/k/a C. Dave Davis, and VIRGINIA ROSE NOVRIT met with a loan processor at FedFirst Mortgage in Hilton Head Island, SC, provided qualifying information for a mortgage loan for 13 Sams Point and thereafter defendant NOVRIT signed a loan application, falsely representing defendant NOVRIT to have a monthly income of \$45,000, to have been employed with defendant DAVIS' company, C. Dave Davis, LLC, for 2 years and to have been employed in this line of work for 8 years.

(d) On or about March 7, 2005, defendants CLARENCE LORENZO DAVIS, a/k/a C. Dave Davis, and VIRGINIA ROSE NOVRIT attended the closings of a mortgage loan for defendant NOVRIT from American Home Mortgage, d.b.a. American Brokers Conduit, for the purchase of 13 Sams Point as NOVRIT's primary residence, told the South Carolina closing attorney that they were in the security/private investigation business and defendant NOVRIT signed in the presence of the closing attorney a loan application which contained the false representations regarding her employment and income listed in paragraph 3(c) above and omitted \$364,503 in mortgages loans she had closed on February 25, 2005.

Acts related to 8425 Coghill Trace, Duluth, Georgia

(e) In or about February 2005, defendants CLARENCE LORENZO DAVIS, a/k/a C. Dave Davis, and VIRGINIA ROSE NOVRIT spoke

with a loan officer for Mortgage Direct/Brooks America Mortgage in Santa Ana, California and provided qualifying information for a mortgage loan in the name of defendant NOVRIT for 8425 Coghill Trace, falsely representing defendant NOVRIT to have a monthly income of \$25,000, to have been employed with defendant DAVIS' company, C. Dave Davis, LLC, for 5 years and to have been employed in this line of work for 20 years.

(f) On or about March 4, 2005, defendants CLARENCE LORENZO DAVIS, a/k/a C. Dave Davis, and VIRGINIA ROSE NOVRIT provided a letter to the loan officer in support of the NORVIT loan application for 8425 Coghil Trace as her primary residence, falsely representing that defendant NOVRIT was moving from Barnegat, New Jersey to Atlanta, Georgia to establish C. Dave Davis, LLC, in the Atlanta area where she would continue to receive her same annual salary from this company.

(g) On or about March 14, 2005, defendants CLARENCE LORENZO DAVIS, a/k/a C. Dave Davis, and VIRGINIA ROSE NOVRIT attended the closing of a mortgage loan from North Fork Bank, d.b.a. Geenpoint Mortgage, for the purchase of 6425 Coghill Trace as her primary residence, and defendant NOVRIT signed in the presence of the Atlanta closing attorney a loan application which contained false representations regarding her employment and income listed in paragraph 3(e) above, falsely represented that no part of her down payment was borrowed and omitted the \$1.6 million in

mortgages loans she had closed on February 25 and March 7, 2005.

(h) On or about March 14, 2005, defendant VIRGINIA ROSE NOVRIT signed the Acknowledgment and Receipt of the HUD 1 Settlement Statement for the closing of 6425 Coghill Trace, approving the false entry, "cash from borrower \$124,311.23."

Acts related to 4338 Azalea Walk, Ellenwood, GA

(i) In or about February 2005, defendants CLARENCE LORENZO DAVIS, a/k/a C. Dave Davis, and VIRGINIA ROSE NOVRIT spoke with a loan officer at Common Cents Mortgage in the Atlanta, Georgia area and provided qualifying information for a mortgage loan in the name of defendant NOVRIT for 4338 Azalea Walk, falsely representing the employment and income of defendant NOVRIT.

(j) On or about March 24, 2005, defendants CLARENCE LORENZO DAVIS, a/k/a C. Dave Davis, and VIRGINIA ROSE NOVRIT attended the closing of a mortgage loan from American Fidelity, for the purchase of 4338 Azalea Walk, and defendant NOVRIT signed in the presence of the Atlanta area closing attorney a loan application which contained false representations regarding her employment and income and omitted the \$2.1 million in mortgages loans she had closed on March 7 and March 14, 2005.

Acts related to 8760 Islesworth Court, Duluth, Georgia

(k) In or about April 2005, defendants CLARENCE LORENZO DAVIS, a/k/a C. Dave Davis, and VIRGINIA ROSE NOVRIT provided qualifying information for a mortgage loan for 8760 Islesworth to

a loan processor at FedFirst Mortgage in Hilton Head Island, SC, falsely representing defendant NOVRIT to have a monthly income of \$45,000, to have been employed with defendant DAVIS' company, C. Dave Davis, LLC, for 2 years and to have been employed in this line of work for 8 years.

(l) On or about April 22, 2005, defendant VIRGINIA ROSE NOVRIT signed as Vice Chairwoman/CEO on C. Dave Davis, LLC, Invoice #05-1940, falsely representing billing of \$124,500 for professional consulting services on projects #s 617, 134 and 280.

(m) On or about May 2, 2005, defendant CLARENCE LORENZO DAVIS, a/k/a C. Dave Davis, attached the April 22, 2005 invoice for \$124,500 signed by defendant VIRGINIA ROSE NOVRIT and a copy of an official Wachovia Bank check payable to defendant NOVRIT with remitter D Kroll to defendant DAVIS' letter to the loan processor at FedFirst Mortgage, which letter falsely represented that this check was "pay and bonus" for defendant NOVRIT for work performed for Mr. David Kroll of DKS Consulting and that such payment would normally go through the C. Dave Davis, LLC account before transfer to his employees.

(n) On or about April 26, 2005, defendant VIRGINIA ROSE NOVRIT deposited the \$125,500 Wachovia Bank official check from D. Kroll into her Wachovia account and thereafter withdrew the funds which she returned to David Kroll as soon as a Wachovia Bank official confirmed this deposit on a FedFrist Mortgage Verification

of Deposit.

(o) On or about May 16, 2005, defendants CLARENCE LORENZO DAVIS, a/k/a C. Dave Davis, identified himself to the lender for Islesworth as C. D. Davis, President and CEO of C. Dave Davis, LLC, verified that defendant VIRGINIA ROSE NOVRIT had been employed by his company for 5 years and said that NOVRIT held the present position of Managing Vice Chairperson.

(p) On or about May 18, 2005, defendants CLARENCE LORENZO DAVIS, a/k/a C. Dave Davis, and VIRGINIA ROSE NOVRIT attended the closing of mortgage loans from American Home Mortgage for the purchase of 8760 Islesworth Court and defendant NOVRIT signed in the presence of the Atlanta, Georgia closing attorney a loan application which contained false representations regarding her employment and income listed in paragraph 3(i) above, falsely represented that no part of her down payment was borrowed and omitted the \$1.19 million in mortgage loans she had closed on March 14 and March 24, 2005.

(q) On or about May 18, 2005, defendant VIRGINIA ROSE NOVRIT caused an official Wachovia Bank check in the amount of \$83,000 with DSK & VIRGINIA NOVRIT as Remitters to be delivered to the closing attorney and signed the Acknowledgment and Receipt of the HUD 1 Settlement Statement for the closing of 8760 Islesworth, approving the false entry, "cash from borrower \$82,060.32."

Acts related to 1106 Pristine Place, Alpharetta, GA

(r) In or about April 2005, defendants CLARENCE LORENZO DAVIS, a/k/a C. Dave Davis, and VIRGINIA ROSE NOVRIT met with a loan officer for Southern Investment Mortgage in Atlanta, Georgia, provided qualifying information in an attempt to obtain a mortgage loan for 1106 Pristine Place from C & G Financial and defendant NOVRIT signed a loan application, falsely representing that she had a monthly income of \$25,000, had been employed with defendant DAVIS' company, C. Dave Davis, LLC, for 5 years and had been employed in this line of work for 5 years.

Acts related to 8415 Coghill Trace, Duluth, Georgia

(s) On or about May 13, 2005, defendants CLARENCE LORENZO DAVIS, a/k/a C. Dave Davis, and VIRGINIA ROSE NOVRIT caused a loan officer for Southern Investment Mortgage in Atlanta, Georgia, to submit a loan application in the name of defendant NOVRIT to lender C&G Financial for 8415 Coghill Trace which application falsely represented that she had a monthly income of \$25,000, had been employed with defendant DAVIS' company, C. Dave Davis, LLC, for 5 years and had been employed in this line of work for 5 years.

(t) On or about June 9, 2005, defendant CLARENCE LORENZO DAVIS, a/k/a C. Dave Davis, accompanied defendant VIRGINIA ROSE NOVRIT to close the 8415 Coghill Trace loan at the office of an Atlanta, Georgia closing attorney.

(u) Counts Two through Twenty of this Indictment are

incorporated herein by reference as additional overt acts of this conspiracy.

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

COUNTS TWO THROUGH FIVE

Bank Fraud
18 U.S.C. 1344

4. The Grand Jury hereby realleges and incorporates by reference herein the facts stated in Count One of this Indictment.

5. On or about the below listed dates, in the Northern District of Georgia, defendants CLARENCE LORENZO DAVIS, a/k/a C. Dave Davis, and VIRGINIA ROSE NOVRIT, aided and abetted by each other and others, did knowingly execute and attempt to execute a scheme and artifice to defraud the following financial institutions, the deposits of which were then insured by the Federal Deposit Insurance Corporation, by means of causing materially false and fraudulent pretenses and representations regarding borrower qualifying information to be submitted to the below listed financial institutions to obtain mortgage loans for the following properties with the proceeds thereof utilized by the defendants and their co-schemers:

Count	Date	Property Address	Purchase Price/ Loan Amount	Financial Institution
2	2/25/05	5886 Seam Street Lithonia, GA	\$133,000/ \$119,700 1st \$ 13,300 2nd from Seller	Washington Mutual Bank

3	2/25/05	2830 Luther Dr East Point, GA	\$137,000/ \$123,300 1st \$ 13,700 2nd from Seller	Washington Mutual Bank
4	2/25/05	4560 Old Lake Dr Decatur, GA	\$135,000/ \$121,500 1st \$ 13,500 2nd from Seller	Washington Mutual Bank
5	3/14/05	8425 Coghill Tr Duluth, GA	\$950,000/ \$760,000 1st \$ 92,038 2nd	North Fork Bank

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

COUNTS SIX THROUGH ELEVEN
Wire Fraud
18 U.S.C. 1343

6. The Grand Jury realleges and incorporates herein by reference the facts stated in Count One of this Indictment.

7. From in or about January 2005 and continuing to on or about June 9, 2005, in the Northern District of Georgia and elsewhere, defendants CLARENCE LORENZO DAVIS, a/k/a C. Dave Davis, and VIRGINIA ROSE NOVRIT, aided and abetted by each other and others, knowingly and wilfully devised and intended to devise a scheme and artifice to defraud banks and other mortgage lenders and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises.

8. On or about the below listed dates, defendants DAVIS and NOVRIT, for the purpose of executing and attempting to execute the aforesaid scheme and artifice to defraud, caused to be transmitted

in interstate commerce, by means of a wire communication, certain signs, signals and sounds to and from the Northern District of Georgia, as follows:

Ct	Date	From	To	Wire	Property Sales Price/ Loan Amt
6	2/14/05	Dream Homes Financial Atlanta, GA	FedFirst Mortgage Hilton Head Island, SC	Fax request re NOVRIT loan	13 Sams Point Lane, Hilton Head Island, SC \$1,275,000/ \$1,000,000 1st \$ 268,418 2nd
7	3/24/05	American Fidelity Baton Rouge, LA	Webster Firm Duluth, GA	Wire transfer of NOVRIT loan proceeds from lender	4338 Azalea Wk Ellenwood, GA \$345,000/ \$276,000 1st \$ 69,000 2nd
8	5/13/05	Southern Investment Mortgage Atlanta, GA	C&G Fin'l Upland, CA	Fax of NOVRIT Loan Application	8415 Coghill Tr Duluth, GA (attempt to close 6/9/05) \$1,150,000/ \$920,000 1st \$ 78,028 2nd
9	5/15/05	American Home Mortgage Acceptance Bank of NY NY, NY	Rachel Law Group acct Atlanta, GA	Wire transfer of NOVRIT loan proceeds from lender	8760 Islesworth Duluth, GA \$1,100,000/ \$880,000 1st \$160,171 2nd
10	5/17/05	RE/MAX Hilton Head Island, SC	Southern Investment Mortgage Atlanta, GA	Fax of Contract of Sale - Offer and Acceptance re DAVIS & NOVRIT loan	Lots 21 & 22 Elliot Point Hilton Head Island, SC (attempt to close by 4/26/05) \$501,500 Lot 21 \$426,500 lot 22

11	5/31/05	VIRGINIA NOVRIT Hilton Head Island, SC	Southern Investment Mortgage Atlanta, GA	Fax of Wachovia Bank Transaction Receipt re NOVRIT loan	1106 Pristine Place Alpharetta, GA \$1,170,000/ \$ 940,000
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All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNTS TWELVE THROUGH NINETEEN
Money Laundering
(18 U.S.C. § 1957)

9. The Grand Jury realleges and incorporates herein by reference the facts stated in Counts One through Eleven of this Indictment.

10. On or about the below listed dates, in the Northern District of Georgia, defendants CLARENCE LORENZO DAVIS, a/k/a C. Dave Davis, and VIRGINIA ROSE NOVRIT, aided and abetted by each other and others, did knowingly engage in, attempt to engage in and cause others to engage in the specified monetary transaction by, through and to a financial institution, affecting interstate or foreign commerce, in criminally derived property of a value greater than \$10,000, that is as specified below, such property having been derived from a specified unlawful activity, to wit, the bank and wire fraud scheme more fully described in Counts One through Ten of this Indictment:

Ct	Date	Monetary Transaction	Related Property
12	3/14/05	Negotiation through bank of \$35,000 check payable to Eaglemont American Partners drawn on escrow acct of closing attorney containing loan proceeds	8425 Coghill Tr
13	3/14/05	Negotiation through bank of \$150,000 check payable to DKS Construction drawn on escrow acct of closing attorney containing loan proceeds	8425 Coghill Tr
14	3/14/05	Negotiation through bank of \$20,000 check payable to Precision Construction drawn on escrow acct of closing attorney containing loan proceeds	8425 Coghill Tr
15	5/20/05	Deposit of \$115,000 check payable to Eaglemont American Partners drawn on escrow acct of closing attorney containing loan proceeds into Wachovia Bank Eaglemont acct of defendant DAVIS	8760 Islesworth Ct
16	5/20/05	Transfer of \$115,000 from Eaglemont acct at Wachovia Bank to C. Dave Davis, LLC, Wachovia acct of defendant DAVIS	8760 Islesworth Ct
17	5/20/05	Transfer of \$113,000 from C. Dave Davis, LLC, acct of defendant DAVIS at Wachovia Bank to Wachovia acct of defendant NOVRIT	8760 Islesworth Ct
18	5/18/05	Negotiation through bank of \$121,000 check payable to DKS Construction drawn on escrow acct of closing attorney containing loan proceeds	8760 Islesworth Ct
19	5/18/05	Negotiation through bank of \$40,000 check payable to Precision Construction drawn on escrow acct of closing attorney containing loan proceeds	8760 Islesworth

All in violation of Title 18, United States Code, Sections 1957

and 2.

COUNT TWENTY
Money Laundering Conspiracy
18 U.S.C. § 1956(h)

11. The Grand Jury realleges and incorporates herein by reference the facts stated in Counts One through Eighteen of this Indictment.

12. From in or about January 2005 through on or about June 9, 2005, in the Northern District of Georgia and elsewhere, defendants CLARENCE LORENZO DAVIS, a/k/a C. Dave Davis, and VIRGINIA ROSE NOVRIT did unlawfully, willfully and knowingly combine, conspire, confederate, agree and have a tacit understanding with each other and others, known and unknown to the Grand Jury, to commit certain offenses against the United States as follows: knowing that the property involved in a financial transaction represented the proceeds of an unlawful activity, to wit, the bank and wire fraud scheme to defraud various mortgage lenders alleged in violation of Title 18, United States Code, Section 1344 and 1343 more fully described in Counts One through Eleven herein, conducted and attempted to conduct such financial transactions in violation of Title 18, United States Code, Section 1957 as more fully described in Counts Eleven through Nineteen herein.

All in violation of Title 18, United States Code, Section 1956(h).

FORFEITURE PROVISION

13. Upon conviction of one or more of the offenses alleged in Counts One through Twenty of this Indictment, defendants CLARENCE LORENZO DAVIS, a/k/a C. Dave Davis, and VIRGINIA ROSE NOVRIT shall forfeit to the United States pursuant to 18 U.S.C. §§ 981(a)(1)(C), 982(a)(2), and 28 U.S.C. § 2461(c) any property, real or personal, constituting or derived from proceeds obtained directly or indirectly as a result of the said violations.

14. If, as a result of any act or omission of the defendant, any property subject to forfeiture:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third person;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be subdivided without difficulty;

the United States intends, pursuant Title 18, United States Code, Section 982 (b) and 21 United States Code, Section 853(p), to seek forfeiture of any other property of said defendant up to the value of the forfeitable property.

A TRUE BILL

Ronald D. McGe
FOREPERSON

DAVID E. NAHMIAS
UNITED STATES ATTORNEY

Gale McKenzie
GALE MCKENZIE

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