

SEALED

UNITED STATES DISTRICT COURT

FILED

WESTERN DISTRICT OF TEXAS

2008 JUN -4 P 2: 18

SAN ANTONIO DIVISION

CLERK, US DISTRICT COURT
WESTERN DISTRICT OF TEXAS

UNITED STATES OF AMERICA

SA 08 CR 3710G
CRIMINAL DEPT

v.

INDICTMENT

NADJAH ELIAS-CAUDILL, (1)

[Violations: Conspiracy, 18 U.S.C. § 1349;

DAVID BARR, (2)

Wire Fraud, 18 U.S.C. § 1343;

and

Aiding and abetting and causing,

KENT LAKE (3)

18 U.S.C. § 2]

THE GRAND JURY CHARGES:

INTRODUCTION

At all times relevant to this Indictment:

I. The Defendants

1. NADJAH ELIAS-CAUDILL was an individual who, along with her husband, known to the Grand Jury but identified herein only as M.C., purchased real estate in the names of others.

2. DAVID BARR was a homebuilder and 50% owner of a partnership known as Barr/Principle Builders, LLC.

3. KENT LAKE was a homebuilder and 50% owner of a partnership known as Barr/Principle Builders, LLC.

COUNT ONE

[18 U.S.C. § 1349]

1. The Introduction to this Indictment is incorporated herein as if fully restated.

2. Beginning in or about February 2006, and continuing to on or about March 27, 2007, in the Western District of Texas, the Southern District of Florida and elsewhere, the Defendants,

NADJAH ELIAS-CAUDILL,
DAVID BARR,
and
KENT LAKE

and others known and unknown to the Grand Jury did combine, conspire, confederate and agree together and with each other to commit offenses against the United States, to wit: Wire Fraud in violation of Title 18, United States Code, § 1343.

Object of the Conspiracy

The object of the conspiracy was to defraud various mortgage lenders and to obtain money from them by means of false and fraudulent pretenses, representations, and promises.

Manner and Means

The conspiracy was accomplished through the following means:

1. Defendant NADJAH ELIAS-CAUDILL and M.C. would locate houses for sale. NADJAH ELIAS-CAUDILL and M.C. would negotiate with the seller a purchase price which was greater than the amount being asked, with the agreement that the excess amount would be secretly paid to them after closing. Defendant NADJAH ELIAS-CAUDILL would apply for mortgage loans for 100% of the stated purchase amount in the names of her sister-in-law, brother, and the father of a former employee, without their prior knowledge or consent.
2. Defendants DAVID BARR and KENT LAKE individually and through their partnership Barr/Principle Builders, LLC, would agree to inflated sales prices of homes they

built, with agreement that the excess of the sale price over the actual asking price would be paid as a kickback to Defendant NADJAH ELIAS-CAUDILL and M.C.

3. An unindicted co-conspirator, known to the Grand Jury, but identified herein as "the Notary", would notarize various closing documents falsely stating that the named borrower/purchaser had signed in her presence when in fact the named borrower/purchaser had not signed the documents at all. The Notary would then mail the forged mortgage documents from Florida, where she lives, to the title companies in and around San Antonio, Texas, which were handling the closings.

4. Once the mortgage loans were funded, and Defendant NADJAH ELIAS-CAUDILL received the kickbacks, Defendant NADJAH ELIAS-CAUDILL and M.C. allowed the mortgage loans to go into default, thereby causing losses to the lenders.

Overt Acts

1. To effect the purpose and objects of this conspiracy, the following overt acts, among others, were committed in the Western District of Texas, the Southern District of Florida, and elsewhere:

2. On or about February 14, 2006, Defendant NADJAH ELIAS-CAUDILL caused to be omitted material information from the New Home Contract for the purchase of ### Summer Glen, Boerne, Texas 78006.

3. On or about March 30, 2006, Defendant NADJAH ELIAS-CAUDILL generated and submitted a fraudulent employment verification form in support of an application to purchase ### Riverwood, Boerne, Texas 78006.

4. On or about April 19, 2006, Defendant KENT LAKE authorized the payment of

an undisclosed post closing kickback of \$47,974 for the purchase of #### Summer Glen, Boerne, Texas 78006.

5. On or about April 19, 2006, Defendant DAVID BARR paid M.C. an undisclosed post closing kickback of \$47,974 following the purchase of #### Summer Glen, Boerne, Texas 78006.

6. On or about April 21, 2006, the Notary falsely notarized the signature of the purported buyer/borrower on mortgage loan documents pertaining to the purchase of #### Summer Glen, Boerne, Texas 78006.

7. On or about June 28, 2006, the Notary falsely notarized the signature of the purported buyer/borrower on mortgage loan documents pertaining to the purchase of #### Riverwood, Boerne, Texas 78006.

8. On or about July 27, 2006, Defendant NADJAH ELIAS-CAUDILL sent a deceptive e-mail message to LandAmerica Lawyers Title for the purpose of directing the closing of the fraudulent purchase of #### Horizon Crest, Boerne, Texas 78006.

9. On or about July 28, 2006, the Notary falsely notarized the signature of the purported buyer/borrower on mortgage loan documents pertaining to the purchase of #### Horizon Crest, Boerne, Texas 78006.

10. On or about August 1, 2006, Defendant KENT LAKE authorized the payment of an undisclosed post closing kickback of \$76,151.51 for the purchase of #### Horizon Crest, Boerne, Texas 78006.

11. On or about August 1, 2006, Defendant DAVID BARR paid M.C. an undisclosed post closing kickback of \$76,151.51 for the purchase of #### Horizon Crest, Boerne, Texas

78006.

12. On or about September 13, 2006, Defendant NADJAH ELIAS-CAUDILL provided false information on the mortgage loan application in support of the purchase of ## Trillion Court, Boerne, Texas 78006.

13. On or about September 13, 2006, the Notary falsely notarized the signature of the purported buyer/borrower on mortgage loan documents pertaining to the purchase of ## Trillion Court, Boerne, Texas 78006.

14. On or about September 14, 2006, Defendant DAVID BARR signed a false HUD-1 Settlement Statement knowing that said statement omitted material facts pertaining to the purchase/sale of ## Trillion Court, Boerne, Texas 78006.

15. On or about September 21, 2006, Defendant KENT LAKE authorized the payment of an undisclosed post closing kickback of \$63,795.45 for the purchase of ## Trillion Court, Boerne, Texas 78006.

16. On or about September 21, 2006, Defendant DAVID BARR paid M.C. an undisclosed post closing kickback of \$63,795.45 for the purchase of ## Trillion Court, Boerne, Texas 78006.

17. On or about December 4, 2006, the Notary falsely notarized the signature of the purported buyer/borrower on mortgage loan documents pertaining to the purchase of ### Fall Springs, Boerne, Texas 78006.

18. On or about December 8, 2006, Defendant KENT LAKE authorized the payment of an undisclosed post closing kickback of \$95,000 for the purchase of ### Fall Springs, Boerne, Texas 78006.

19. On or about December 8, 2006, Defendant DAVID BARR paid M.C. an undisclosed post closing kickback of \$95,000 for the purchase of ### Fall Springs, Boerne, Texas 78006.

20. On or about December 11, 2006, Defendant NADJAH ELIAS-CAUDILL generated and submitted a fraudulent and forged letter to LandAmerica Lawyers Title to facilitate loan closing proceeds go to Defendant NADJAH ELIAS-CAUDILL and M.C., and not the named borrowers.

21. On or about January 21, 2007, Defendant NADJAH ELIAS-CAUDILL provided false information on the mortgage loan application submitted in support of the purchase of ### Scenic Bluffs Drive, Boerne, Texas 78006.

22. On or about February 16, 2007, Defendant NADJAH ELIAS-CAUDILL sent a deceptive e-mail message to LandAmerica Lawyers Title for the purpose of directing the closing of the fraudulent purchase of ### Horizon Crest, Boerne, Texas 78006.

23. On or about February 16, 2007, the Notary falsely notarized the signature of the purported buyer/borrower on mortgage loan documents pertaining to the purchase of ### Horizon Crest, Boerne, Texas 78006.

24. On or about February 20, 2007, Defendant KENT LAKE signed false HUD-1 Settlement Statement knowing that said statement omitted material facts pertaining to the purchase/sale of ### Horizon Crest, Boerne, Texas 78006.

25. On or about February 21, 2007, the Notary falsely notarized the signature of the purported buyer/borrower on mortgage loan documents pertaining to the purchase of ### Scenic Bluffs Drive, Boerne, Texas 78006.

26. On or about February 22, 2007, Defendant KENT LAKE authorized the payment of an undisclosed post closing kickback of \$79,568.96 for the purchase of ### Horizon Crest, Boerne, Texas 78006.

27. On or about February 22, 2007, Defendant DAVID BARR paid M.C. an undisclosed post closing kickback of \$79,568.96 for the purchase of ### Horizon Crest, Boerne, Texas 78006.

28. On or about February 27, 2007, Defendant KENT LAKE authorized the payment of an undisclosed post closing kickback of \$78,581.26 for the purchase of ### Scenic Bluffs Drive, Boerne, Texas 78006.

29. On or about February 27, 2007, Defendant DAVID BARR paid M.C. an undisclosed post closing kickback of \$78,581.26 for the purchase of ### Scenic Bluffs Drive, Boerne, Texas 78006.

30. On or about March 27, 2007, Defendant NADJAH ELIAS-CAUDILL provided the New Mexico drivers license of the purported borrower without his knowledge for the purpose of obtaining a mortgage loan in his name for ##### Harvest Hills, San Antonio, Texas 78258.

31. On or about March 27, 2007, the Notary falsely notarized the signature of the purported buyer/borrower on mortgage loan documents pertaining to the purchase of ##### Harvest Hills, San Antonio, Texas 78258.

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

COUNTS TWO THROUGH SEVEN

[18 U.S.C. §§ 1343 & 2]

1. The Introduction to this Indictment is incorporated herein as if fully restated.

2. From in or about February 2006, and continuing to on or about March 27, 2007, in the Western District of Texas, the Southern District of Florida and elsewhere, the Defendant,

NADJAH ELIAS-CAUDILL

aided and abetted by Defendants

DAVID BARR,
and
KENT LAKE,

and others known and unknown to the Grand Jury did devise a scheme to defraud Fieldstone Mortgage Company, Aegis Wholesale Corporation, Argent Mortgage Company, LLC, Amstar Mortgage Corporation, ANB Financial, N.A., and New Century Mortgage Corporation, among others, and to obtain money from them by means of false and fraudulent pretenses, representations and promises.

THE SCHEME

3. It was a part of the scheme that Defendant NADJAH ELIAS-CAUDILL and M.C. would locate houses for sale.

4. It was further a part of the scheme that Defendant NADJAH ELIAS-CAUDILL and M.C. would negotiate with the seller a purchase price which was greater than the amount being asked, with the agreement that the excess amount would be secretly paid to them after closing.

5. It was further a part of the scheme that Defendant NADJAH ELIAS-CAUDILL would apply for mortgage loans for 100% of the stated purchase amount in the names of her sister-in-law, brother, and the father of a former employee, without their prior knowledge or consent.

6. It was further a part of the scheme that Defendants DAVID BARR and KENT LAKE individually and through their partnership Barr/Principle Builders, LLC, would agree to inflated sales prices of homes they built, with agreement that the excess of the sale price over the actual asking price would be paid as a kickback to Defendant NADJAH ELIAS-CAUDILL and M.C.

7. It was further a part of the scheme that Defendants DAVID BARR and KENT LAKE individually and through their partnership Barr/Principle Builders, LLC, caused material information to be omitted from documents relating to the sales of real estate.

8. It was further a part of the scheme that Defendant NADJAH ELIAS-CAUDILL caused the Notary to notarize various closing documents falsely stating that the named borrower/purchaser had signed in her presence when in fact the named borrower/purchaser had not signed the documents at all.

9. It was further a part of the scheme that the Notary would then mail the forged mortgage documents from Florida, where she lives, to the title companies in and around San Antonio, Texas, which were handling the closings.

10. It was further a part of the scheme that after the sale of the property had closed, Defendants DAVID BARR and KENT LAKE individually and through their partnership Barr/Principle Builders, LLC, paid a kickback to Defendant NADJAH ELIAS-CAUDILL and M.C.

THE EXECUTIONS OF THE SCHEME

On or about the date listed below, for the Count listed below, in the Western District of Texas, the Southern District of Florida and elsewhere, the Defendant,

NADJAH ELIAS-CAUDILL

aided and abetted by Defendants

DAVID BARR,
and
KENT LAKE,

and others known and unknown to the Grand Jury for the purpose of executing and attempting to execute the scheme did transmit and caused to be transmitted in interstate commerce by means of a wire communication certain signs and signals, that is a wire transfer of funds and money from the financial institution listed below to the title company listed below.

COUNT	DATE	AMOUNT	PROPERTY	WIRED FROM	WIRED TO
Two	04/20/2006	\$429,804.37	### Summer Glen Boerne, TX 78006	Citibank NA New York, NY	LandAmerica Lawyers Title San Antonio, TX
Three	07/31/2006	\$589,766.82	### Horizon Crest Boerne, TX 78006	Swiss Bank Corp New York, NY	LandAmerica Lawyers Title San Antonio, TX
Four	09/19/2006	\$424,513.40	## Trillion Court Boerne, TX 78006	Deutsche Bank New York, NY	Netco Inc. San Antonio, TX

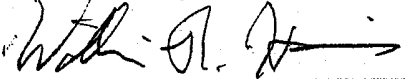
COUNT	DATE	AMOUNT	PROPERTY	WIRED FROM	WIRED TO
Five	12/06/2006	\$726,748.86	### Fall Springs Boerne, TX 78006	Arkansas National Bank Bentonville, AR	LandAmerica Lawyers Title San Antonio, TX
Six	02/21/2007	\$540,000.00	### Horizon Crest Boerne, TX 78006	Washington Mutual Bank Stockton, CA	LandAmerica Lawyers Title San Antonio, TX
Seven	02/22/2007	\$659,686.36	### Scenic Bluffs Boerne, TX 78006	Deutsche Bank New York, NY	Kendall County Abstract Boerne, TX

All in violation of Title 18, United States Code, §§ 1343 & 2.

A TRIPLE


FOREPERSON OF THE GRAND JURY

JOHNNY SUTTON
 United States Attorney

By: 
 WILLIAM R. HARRIS
 Assistant United States Attorney