

U.S. DISTRICT COURT
EASTERN DISTRICT-WI
FILED
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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN

UNITED STATES OF AMERICA,

Plaintiff,

v.

JAMES LYTLE,

Defendant.

07 CR113
Case No. 07-CR-

INFORMATION

COUNT ONE

The United States Attorney charges:

1. Between on or about January 1, 2004, and on or about November 1, 2005, in the State and Eastern District of Wisconsin, and elsewhere,

JAMES LYTLE,

did knowingly devise and execute a scheme to defraud mortgage lenders and to obtain money and property by means of false and fraudulent pretenses and representations, which scheme is more fully described below.

Scheme to Defraud

2. The scheme was essentially as follows:

- a. James Lytle assembled false residential loan applications which he submitted to mortgage lenders.

- b. The loan applications were false in that they materially misrepresented information about the purported buyers, some of whom were straw buyers, that is, buyers who were not bono fide purchasers, and who never intended to own the property or pay the mortgage on the property.
- c. The false information included facts and documents supporting the creditworthiness of the purported buyers and the condition and appraised value of the subject properties.
- d. Others participated in the scheme with James Lytle, including sellers of the subject properties named in the fraudulent loan applications, who paid Lytle after the properties were sold for falsifying the loan applications.
- e. James Lytle and other scheme participants also paid persons to act as straw buyers for the properties identified in the fraudulent loan applications in order to complete the sales.

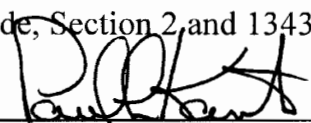
3. Based upon the information contained in the fraudulent loan applications, eight lenders advanced more than \$4 million in mortgage proceeds.

Execution of the Scheme

4. On or about January 27, 2005 in the State and Eastern District of Wisconsin, James Lytle, for the purpose of executing the scheme described above, did knowingly cause to be transmitted in interstate commerce by means of wire communication, funds in the amount of approximately \$300,000, from the warehouse bank account of New State Mortgage, LLC, at GMAC/RFC, in Bethesda, Maryland, to the trust account of Chicago Title Insurance. Co, at U.S. Bank, N.A., in Milwaukee, Wisconsin, for the purchase of 900 Inlet Shore Drive, Delavan, WI.

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

Date 5/15/07



STEVEN M. BISKUPIC
United States Attorney