UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA	)	
	)	No.
v.	)	
	)	Violations: Title 18, United States
CONRAD ULZ	)	Code, Sections 1014 and 1343

COUNT ONE

The SPECIAL AUGUST 2012 GRAND JURY charges:

1. At times material to this Indictment:

a. Defendant CONRAD ULZ owned, controlled, or used the name of at least two companies, including Citywide Financial Group and Metro Realty Services;

b. Dream House Mortgage Corp., Franklin American Mortgage, Assurity Financial Services, IndyMac Bank, Washington Mutual Bank, and HSBC Mortgage Corporation were lenders which made loans secured by mortgages (mortgage loans);

c. IndyMac Bank, Washington Mutual Bank, and HSBC Bank were financial institutions whose deposits were insured by the Federal Deposit Insurance Corporation;

d. HSBC Mortgage Corporation was a wholly-owned subsidiary of HSBC Bank.

e. Lenders required mortgage loan applicants to provide truthful information, including truthful information about the sales price of the property, the source of the down payment, any payments to the applicant for purchasing the property, the applicants' employment, income, assets, and intention to occupy the property, which information was material to the lenders' approval, terms, and funding of mortgage loans; and

f. Lenders sold the mortgage loans to other lenders and institutions (successors). Lenders disclosed that the mortgage loans could be sold and the likelihood that the mortgage loans would be sold. The information provided in loan applications and supporting documents, including the sales price of the property, the source of the down payment, any payments to the buyer for purchasing the property, and the buyers' employment, income, assets, and intention to occupy the property, was material to the successors' decisions to purchase the mortgage loans.

2. Beginning no later than in or around August 2007, and continuing at least until in or around May 2009, at Chicago, in the Northern District of Illinois and elsewhere,

CONRAD ULZ,

defendant herein, along with others known and unknown to the Grand Jury, knowingly devised, intended to devised, and participated in a scheme to defraud lenders and their successors and to obtain money and property from lenders by means of materially false

and fraudulent pretenses, representations, and promises, which scheme affected financial institutions and is further described below.

3. It was part of the scheme that defendant CONRAD ULZ ("ULZ") caused buyers to fraudulently qualify for 13 mortgage loans in a total amount of at least $3.2 million from lenders by making and causing to be made materially false representations in documents submitted to lenders, including loan applications and HUD-1 settlement statements, concerning, among other things, the sales price of the properties, the source of the down payments, and the buyers' employment, income, assets, and intention to occupy the property, and for the purpose of executing the scheme caused interstate wire transmissions.

4. It was further part of the scheme that ULZ recruited buyers with good credit to buy properties in the Englewood neighborhood of Chicago promising that: (1) the buyers would be paid for purchasing the properties; and (2) the buyers would not have to pay any of their own money toward the purchase of the properties, including down payments and mortgage payments.

5. It was further part of the scheme that ULZ recruited buyers to purchase properties knowing that the transactions would be financed by making false statements to lenders to obtain mortgage loans.

6. It was further part of the scheme that ULZ caused to be prepared and submitted to lenders

a. applications and supporting documents that defendant knew falsely represented that the buyers intended to occupy the properties to be purchased when defendant knew that the buyers had no intention to occupy the properties;

b. applications and supporting documents that defendant knew falsely represented the buyers' employment and income, including representing that the buyers earned a higher monthly income than they actually received;

c. applications and supporting documents, including verifications of deposit and account statements, that defendant knew falsely represented the buyers' assets, including representing that the buyers were account holders with Citywide Financial, when defendant knew that no such accounts existed; and

d. HUD-1 settlement statements that defendant knew contained false information, including false information about the sales price of the properties, the true source of the buyers' down payments, and the disbursement of loan proceeds at closings, including the undisclosed disbursement of loan proceeds to the buyers and to defendant.

7. It was further part of the scheme that ULZ provided the buyers' down payment funds for the purchase of the properties and caused to be prepared and submitted to lenders applications and HUD-1 settlement statements that defendant knew falsely represented that the buyers were the source of those down payment funds.

8. It was further part of the scheme that ULZ paid buyers for purchasing the properties and caused to be prepared and submitted to lenders HUD-1 settlement

statements that defendant knew falsely represented that all of the loan proceeds would be paid to the sellers.

9. It was further part of the scheme that ULZ knowingly concealed from lenders his receipt of proceeds of the fraudulently obtained mortgage loans by causing payouts to be made at the loan closings to entities and individuals controlled by defendant and persons known and unknown to the Grand Jury.

10. It was further part of the scheme that ULZ fraudulently caused the buyers to purchase the properties located at the following addresses: (a) 5732 S. Sangamon, Chicago, Illinois, (b) 6114 S. Carpenter, Chicago, Illinois, (c) 6128 S. Carpenter, Chicago, Illinois, (d) 5037 S. Ada, Chicago, Illinois, (e) 5942 S. Morgan, Chicago, Illinois, (f) 6716 S. May, Chicago, Illinois, (g) 6841 S. Wood, Chicago, Illinois, (h) 5538 S. Green, Chicago, Illinois, (i) 5942 S. Ada, Chicago, Illinois, (j) 6640 S. Justine, Chicago, Illinois, (k) 6125 S. Wood, Chicago, Illinois, (l) 5014 S. Ada, Chicago, Illinois, and (m) 6146 S. May, Chicago, Illinois.

11. It was further part of the scheme that by the above means ULZ caused lenders and successors to incur losses of at least approximately $3,105,050.

12. It was further part of the scheme that ULZ concealed, misrepresented, and hid, and caused to be concealed, misrepresented, and hidden, the existence of the scheme, the purposes of the scheme, and the acts done in furtherance of the scheme.

13. On or about August 16, 2007, at Chicago, in the Northern District of Illinois and elsewhere,

CONRAD ULZ,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely an interstate wire transfer processed through the Federal Reserve System of approximately $319,298 from the account of IndyMac Bank to the account of Law Title to fund a loan to Buyer A to purchase 5732 S. Sangamon Street, Chicago, Illinois;

In violation of Title 18, United States Code, Section 1343.

COUNT TWO

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. The allegations contained in paragraphs 1 through 12 of Count One are incorporated here.

2. On or about December 27, 2007, at Pecatonica, in the Northern District of Illinois and elsewhere,

CONRAD ULZ,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely an interstate wire transfer processed through the Federal Reserve System of approximately $321,174 from the account of IndyMac Bank to the account of Committed Title & Escrow Services, Inc., to fund a loan to Buyer B to purchase 6125 S. Wood Street, Chicago, Illinois;

In violation of Title 18, United States Code, Section 1343.

COUNT THREE

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. The allegations contained in paragraphs 1 through 12 of Count One are incorporated here.

On or about January 15, 2008, at Pecatonica, in the Northern District of Illinois and elsewhere,

CONRAD ULZ,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely an interstate wire transfer processed through the Federal Reserve System of approximately $247,629, from the account of Washington Mutual Bank to the account of Committed Title & Escrow, Inc., to fund a loan to Buyer C to purchase 5037 S. Ada Street, Chicago, Illinois;

In violation of Title 18, United States Code, Section 1343.

COUNT FOUR

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. The allegations contained in paragraphs 1 through 12 of Count One are incorporated here.

2. On or about June 11, 2008, at Skokie, in the Northern District of Illinois and elsewhere,

CONRAD ULZ,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely an interstate wire transfer processed through the Federal Reserve System of approximately $283,250, from the account of HSBC Mortgage Corporation at HSBC Bank to the account of Primary Title Services, LLC, to fund a loan to Buyer D to purchase 5538 S. Green Street, Chicago, Illinois;

In violation of Title 18, United States Code, Section 1343.

COUNT FIVE

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. The allegations contained in paragraphs 1 through 12 of Count One are incorporated here.

2. On or about April 27, 2009, at Skokie, in the Northern District of Illinois and elsewhere,

CONRAD ULZ,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely an interstate wire transfer processed through the Federal Reserve System of approximately $268,218, from the account of Assurity Financial Services at National City Bank to the account of Primary Title Services, LLC, to fund a loan to Buyer E to purchase 6146 S. May Street, Chicago, Illinois;

In violation of Title 18, United States Code, Section 1343.

COUNT SIX

The SPECIAL AUGUST 2012 GRAND JURY further charges:

On or about August 16, 2007, at Chicago, in the Northern District of Illinois, and elsewhere,

CONRAD ULZ,

defendant herein, knowingly made and caused to be made a false statement to IndyMac Bank, the deposits of which were insured by the Federal Deposit Insurance Corporation, for the purpose of influencing the action of IndyMac Bank upon a mortgage loan for purchase of a property located at 5732 S. Sangamon, Chicago, Illinois, in that defendant stated and caused to be stated in a uniform residential loan application dated August 16, 2007, that the borrower:

(a) intended to occupy the property as his primary residence;
(b) had $9,125 in gross monthly income;
(c) would use his own money from his bank account for his down payment; and
(d) had $36,875 on deposit in an account at Citywide Financial;

when defendant knew that such statement was false;

In violation of Title 18, United States Code, Section 1014.

COUNT SEVEN

The SPECIAL AUGUST 2012 GRAND JURY further charges:

On or about December 27, 2007, at Pecatonica, in the Northern District of Illinois, and elsewhere,

CONRAD ULZ,

defendant herein, knowingly made and caused to be made a false statement to IndyMac Bank, the deposits of which were insured by the Federal Deposit Insurance Corporation, for the purpose of influencing the action of IndyMac Bank upon a mortgage loan for purchase of a property located at 6125 S. Wood Street, Chicago, Illinois, in that defendant stated and caused to be stated in a uniform residential loan application dated December 27, 2007, that the borrower:

(a) had $9,000 in gross monthly income;
(b) would use her own money from her bank account for her down payment; and
(c) had $135,000 on deposit in an account at Citywide Financial;

when defendant knew that such statement was false;

In violation of Title 18, United States Code, Section 1014.

COUNT EIGHT

The SPECIAL AUGUST 2012 GRAND JURY further charges:

On or about January 15, 2008, at Pecatonica, in the Northern District of Illinois, and elsewhere,

CONRAD ULZ,

defendant herein, knowingly made and caused to be made a false statement to Washington Mutual Bank, the deposits of which were insured by the Federal Deposit Insurance Corporation, for the purpose of influencing the action of Washington Mutual Bank upon a mortgage loan for purchase of a property located at 5037 S. Ada Street, Chicago, Illinois, in that defendant stated and caused to be stated in a uniform residential loan application dated January 15, 2008, that the borrower:

(a) had $6,000 in gross monthly income;
(b) would use her own money from her bank account for her down payment; and
(c) had $125,000 on deposit in an account at Citywide Financial;

when defendant knew that such statement was false;

In violation of Title 18, United States Code, Section 1014.

FORFEITURE ALLEGATION

The SPECIAL AUGUST 2012 GRAND JURY alleges:

1. The allegations of this indictment are incorporated here for the purpose of alleging forfeiture pursuant to Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(2)(A).

2. As a result of his violations of Title 18, United States Code, Sections 1014 and 1343, as alleged in the foregoing indictment,

CONRAD ULZ,

defendant herein, shall forfeit to the United States, any and all right, title, and interests defendant may have in any property, real or personal, which constitutes or is and derived from proceeds traceable to the charged offenses.

3. The interests and property of the defendant subject to forfeiture pursuant to Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(2)(A), include but are not limited to approximately $3,105,050.

4. If any of the forfeitable property described above, as a result of any act or omission by the defendant:

(a) cannot be located upon the exercise of due diligence;

(b) has been transferred or sold to, or deposited with, a third party;

(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 divided without difficulty,

it is the intent United States of America to seek forfeiture of substitute property belonging to the defendant under the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Section 982(b)(1),

All pursuant to Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(2)(A).

A TRUE BILL:

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FOREPERSON

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UNITED STATES ATTORNEY