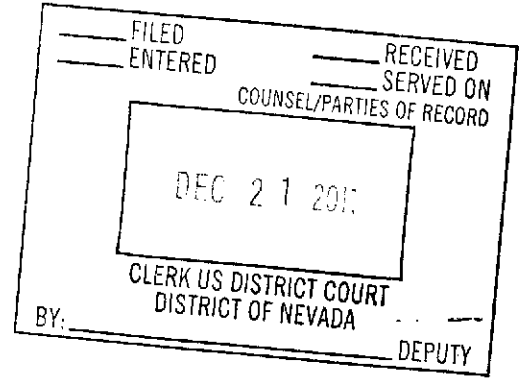


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6 **UNITED STATES DISTRICT COURT**
7 **DISTRICT OF NEVADA**

8 -oOo-

9 UNITED STATES OF AMERICA,) SECOND SUPERSEDING INDICTMENT
10 Plaintiff,) 2:10-cr-287-KJD-VCF
11 vs.) VIOLATIONS:
12 LANCE KELLOW, and) 18 U.S.C. § 1349 - Conspiracy to
VINSON KELLOW,) Commit Mail and Wire Fraud
13 Defendants.) 18 U.S.C. § 1343 - Wire Fraud
14) 18 U.S.C. § 1344(2) - Bank Fraud

15
16 **THE GRAND JURY CHARGES THAT:**

17 **COUNT ONE**

18 **Conspiracy to Commit Mail and Wire Fraud**

19 From in or about January 2007, to in or about April 2007, in the State and Federal
20 District of Nevada,

21 **LANCE KELLOW, and**
22 **VINSON KELLOW,**

23 defendants herein, did conspire with each other and others known and unknown to the
24 Grand Jury to commit mail fraud and wire fraud, in violation of Title 18, United States Code,
25 Sections 1341 and 1343, respectively.
26

1 The Objectives of the Conspiracy and Scheme to Defraud

2 1. The objectives of the conspiracy were to devise a scheme and artifice to
3 obtain money and property by conducting sham sales of houses owned by the defendants
4 and their coconspirators through a straw buyer. A straw buyer is a person whose name is
5 used by perpetrators to conduct real estate transactions. As a result of the sham sale of the
6 houses, the defendants and their co-schemers were able to obtain money through mortgage
7 loans from lenders and federally-insured institutions.

8 Manner and Means

9 The manner and means by which the objectives of the conspiracy were
10 accomplished include, but are not limited to, the following:

11 2. The defendants and their coconspirators recruited a straw buyer to pose as
12 a legitimate property purchaser.

13 3. The defendants and one of the coconspirators provided false and fraudulent
14 employment verifications on behalf of the straw buyer in support of his mortgage loan
15 applications.

16 2753 Kildrummie Street

17 4. Defendant Vinson Kellow owned and resided at 2753 Kildrummie Street,
18 Henderson, Nevada, with his family.

19 5. The defendants and the coconspirators, including the straw buyer, created
20 materially false and fraudulent documents to make it appear that the straw buyer was
21 legitimately buying the Kildrummie property. The documents included sale contracts, loan
22 applications, and other documents, which contained materially false and fraudulent
23 information about the straw buyer's employment, income, assets, and intent to occupy the
24 property, when the defendants then and there well knew the information was false and
25 fraudulent.

1 6. On or about March 6, 2007, the defendants submitted and caused to be
2 submitted the sale contracts, loan applications and supporting documents to Washington
3 Mutual, a federally- insured financial institution, to obtain loans to purchase the Kildrummie
4 property. The defendants submitted the documents through American Mortgage Financial
5 Corporation, a company owned by the defendants.

6 7. The defendants caused the proceeds from the sale of this property to be paid
7 to defendant Lance Kellow. Defendant Lance Kellow then wire transferred approximately
8 \$112,000 of the proceeds from his bank account to a coconspirator's bank account. The
9 coconspirator then used a portion of the proceeds to pay off defendant Vinson Kellow's
10 gambling debts.

11 8. After the sale of the property to the straw buyer, defendant Vinson Kellow's
12 family continued to live in the house. The straw buyer did not live there.

13 9. The defendants subsequently stopped paying the mortgage on the
14 Kildrummie property, and the straw buyer defaulted on the loan.

15 819 Happy Sparrow Avenue

16 10. Defendant Lance Kellow was the recorded owner of a property located at
17 819 Happy Sparrow Avenue, in Henderson, Nevada. The Happy Sparrow property was
18 occupied by tenants.

19 11. The defendants and the coconspirators, including the straw buyer, created
20 materially false and fraudulent documents to make it appear that the straw buyer was
21 legitimately buying the Happy Sparrow property. The documents included sales contracts,
22 loan applications, and other documents, which contained materially false and fraudulent
23 information about the straw buyer's employment, income, assets, and intent to occupy the
24 property when the defendants then and there well knew that the information was false and
25 fraudulent.
26

1 12. On or about March 20, 2007, defendant Lance Kellow caused the sales
2 contracts, loan applications and supporting documents to be submitted to CountryWide
3 Home Loans, Inc., a lender, to obtain loans to purchase the Happy Sparrow property.

4 13. On or about March 30, 2007, defendant Lance Kellow wired \$50,000 from
5 his bank account to an account controlled by coconspirator Jason Kellow in the name Juna,
6 Inc. Coconspirator Jason Kellow then wired that money to an account in the name of the
7 straw buyer so that it would appear to the lender that the straw buyer had \$50,000 in cash.

8 14. The defendants caused the proceeds of the sale of the property to be paid
9 to co-conspirator Jason Kellow.

10 15. The defendants and the coconspirators subsequently stopped paying the
11 mortgage on the Happy Sparrow property, and the straw buyer defaulted on the loan.

12 2669 Chateau Clermont Street

13 16. Defendant Lance Kellow owned and resided with his family at 2669 Chateau
14 Clermont Street in Henderson, Nevada.

15 17. The defendants and the coconspirators, including the straw buyer, created
16 materially false and fraudulent documents to make it appear that the straw buyer was
17 legitimately buying the Chateau Clermont property. The documents included sales contracts,
18 loan applications, and other documents, which contained materially false and fraudulent
19 information about the straw buyer's employment, income, assets, and liabilities, when the
20 defendants then and there well knew that the information was false and fraudulent.

21 18. On or about April 3, 2007, defendant Lance Kellow caused the sales
22 contracts, loan applications, and supporting documents to be submitted to Meridias Capital,
23 Inc., a lender, to obtain loans to purchase the Chateau Clermont property.

24 19. After the sale of the property to the straw buyer, defendant Lance Kellow and
25 his family continued to live in the house. The straw buyer did not live there.

1 20. The defendants and their coconspirators subsequently stopped paying the
2 mortgage on the Chateau Clermont property, and the straw buyer defaulted on the loan.

3 Wires and Mailings

4 21. It was further part of the conspiracy and in execution of the scheme, that the
5 defendants caused wire communications to be sent in interstate commerce.

6 22. It was further part of the conspiracy, and in execution of the scheme, that the
7 defendants caused mail and other things to be delivered interstate by the Postal Service and
8 by a commercial carrier.

9 23. Set forth below are the addresses of some of the homes that the defendants
10 sold as part of the conspiracy, the approximate dates that escrow closed on the sales, and
11 the names of the lenders.

Date	Address	Lender
March 14, 2007	2753 Kildrummie St., Henderson, NV	Washington Mutual
March 29, 2007	819 Happy Sparrow Ave., Henderson, NV	CountryWide
April 3, 2007	2669 Chateau Clemont St., Henderson, NV	Meridias Capital, Inc.

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19 In violation of Title 18, United States Code, Section 1349.

20 **COUNTS TWO THROUGH FOUR**
21 Lance Kellow - Wire Fraud

22 Paragraphs one through twenty-three of this superseding indictment are
23 incorporated herein as if set forth in full.

24 24. From in or about January 2007, to in or about April 2007, in the State and
25 Federal District of Nevada,

26 **LANCE KELLOW,**

1 defendant herein, did devise and intend to devise a scheme and artifice to defraud and for
 2 obtaining money and property by means of false and fraudulent pretenses, representations
 3 and promises, as described in paragraphs one through nine of this indictment.

4 25. On or about the dates set forth below, for the purpose of executing the
 5 scheme and artifice, the defendant did transmit and cause to be transmitted by means of
 6 wire communication in interstate commerce, writings, signs, and signals, that is, the wire
 7 communications described below for the transactions relating to the properties identified
 8 below, with each wire communication constituting a separate violation of Title 18, United
 9 States Code, Section 1343.

Count	Date	Address	Wire Communication
11 2	12 March 15, 2007	2753 Kildrummie St. Henderson, NV	Wire transfer from Nevada to New York to pay off Vinson Kellow's mortgage.
13 3	April 2, 2007	819 Happy Sparrow Ave. Henderson, NV	Wire transfer from New York to Nevada to fund the loan.
14 4	April 3, 2007	2669 Chateau Clemont St. Henderson, NV	Wire transfer from Utah to Nevada to fund the loan.

17 **COUNT FIVE**
 18 Vinson Kellow - Wire Fraud

19 Paragraphs one through twenty-three of this superseding indictment are
 20 incorporated herein as if set forth in full.

21 26. From in on or about January 2007, to on or about March 17, 2007, in the
 22 State and Federal District of Nevada,

23 **VINSON KELLOW,**

24 defendant herein, did devise and intend to devise a scheme and artifice to defraud and for
 25 obtaining money and property by means of false and fraudulent pretenses, representations
 26 and promises, as described in paragraphs one through nine of this indictment.

1 27. On or about the date set forth below, for the purpose of executing the scheme
2 and artifice, the defendant did transmit and cause to be transmitted by means of wire
3 communication in interstate commerce, writings, signs, and signals, that is, the wire
4 communication described below for the transactions relating to the property identified below,
5 in violation of Title 18, United States Code, Section 1343.

Count	Date	Address	Wire Communication
5	March 17, 2007	2753 Kildrummie St. Henderson, NV.	Wire transfer from Nevada to New York to pay off Vinson Kellow's mortgage.

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10 **COUNT SIX**
11 (Lance Kellow - Bank Fraud)

12 28. From in or about March 2004, to on or about May 5, 2004, in the State and
13 Federal District of Nevada,

14 **LANCE KELLOW,**

15 defendant herein, did devise a scheme and artifice to obtain moneys, funds, assets,
16 securities, and other property owned by and under the control of a Washington Mutual Bank,
17 a federally-insured financial institution, by means of materially false and fraudulent
18 pretenses, representations and promises that would cause a bank to part with money and
19 property, and as part of the scheme and artifice, on or about April 28, 2004, for the purpose
20 of executing and attempting to execute the scheme to defraud, did knowingly cause to be
21 submitted to Washington Mutual Bank a loan application falsely stating that he intended to
22 occupy as his primary residence property located at 819 Happy Sparrow Avenue,
23 Henderson, Nevada, in order to cause the lending institution to loan money to fund the
24 purchase of the property.

25 In violation of Title 18, United States Code, Section 1344.
26

FORFEITURE ALLEGATION ONE
(Conspiracy to Commit Mail and Wire Fraud)

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3 1. The allegations contained in Count One of this Criminal Indictment are
4 hereby realleged and incorporated herein by reference for the purpose of alleging forfeiture
5 pursuant to Title 18, United States Code, Section 982(a)(2)(A).

6 2. Upon conviction of the felony offense charged in Count One of this Criminal
7 Indictment,

**LANCE KELLOW, and
VINSON KELLOW,**

8
9 defendants herein, shall forfeit to the United States of America any property constituting,
10 or derived from, proceeds obtained directly or indirectly, as a result of violations of Title 18,
11 United States Code, Sections 1341 and 1343; and Title 18, United States Code, Section
12 1349, conspiracy to commit such offenses, or any property traceable to such property, an
13 in personam criminal forfeiture money judgment of \$1,349,500 in United States Currency.

14 3. If any property subject to forfeiture pursuant to Title 18, United States Code,
15 Section 982(a)(2)(A), as a result of any act or omission of the defendants-

- 16 a. cannot be located upon the exercise of due diligence;
- 17 b. has been transferred or sold to, or deposited with, a third party;
- 18 c. has been placed beyond the jurisdiction of the court;
- 19 d. has been substantially diminished in value; or
- 20 e. has been commingled with other property that cannot be divided
21 without difficulty;

22 it is the intent of the United States of America, pursuant to Title 21, United States Code,
23 Section 853(p), to seek forfeiture of any properties of the defendants for an in personam
24 criminal forfeiture money judgment of \$1,349,500.00 in United States Currency.

1 All pursuant to Title 18, United States Code, Section 982(a)(2)(A); Title 18, United
2 States Code, Sections 1341, 1343 and 1349; and Title 21, United States Code, Section
3 853(p).

4
5 **FORFEITURE ALLEGATION TWO**
(Conspiracy to Commit Mail and Wire Fraud)

6 1. The allegations contained in Count One of this Criminal Indictment are
7 hereby realleged and incorporated herein by reference for the purpose of alleging forfeiture
8 pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States
9 Code, Section 2461(c).

10 2. Upon conviction of the felony offenses charged in Count One of this Criminal
11 In Indictment,

12 **LANCE KELLOW, and
VINSON KELLOW,**

13 defendants herein, shall forfeit to the United States of America any property, real or
14 personal, which constitutes or is derived from proceeds traceable to violations of Title 18,
15 United States Code, Sections 1341 and 1343, specified unlawful activities as defined in Title
16 18, United States Code, Sections 1956(c)(7)(A) and 1961(1)(B); and Title 18, United States
17 Code, Section 1349, conspiracy to commit such offenses, an in personam criminal forfeiture
18 money judgment of \$1,349,500 in United States Currency.

19 3. If any property subject to forfeiture pursuant to Title 18, United States Code,
20 Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), as a result of any
21 act or omission of the defendants-

- 22 a. cannot be located upon the exercise of due diligence;
23 b. has been transferred or sold to, or deposited with, a third party;
24 c. has been placed beyond the jurisdiction of the court;
25 d. has been substantially diminished in value; or
26

1 e. has been commingled with other property that cannot be divided
2 without difficulty;

3 it is the intent of the United States of America, pursuant to Title 21, United States Code,
4 Section 853(p), to seek forfeiture of any properties of the defendants up to \$920,836.17 in
5 United States Currency.

6 All pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28,
7 United States Code, Section 2461(c); Title 18, United States Code, Sections 1341, 1343,
8 and 1349; and Title 21, United States Code, Section 853(p).

9
10 **FORFEITURE ALLEGATION THREE**
(Wire Fraud)

11 1. The allegations contained in Counts Two through Four of this Indictment are
12 hereby realleged and incorporated herein by reference for the purpose of alleging forfeiture
13 pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States
14 Code, Section 2461(c).

15 2. Upon conviction of the felony offense charged in Counts Two through Four
16 of this Indictment,

17 **LANCE KELLOW,**

18 defendant herein, shall forfeit to the United States of America, any property, real or personal,
19 which constitutes or is derived from proceeds traceable to violations of Title 18, United
20 States Code, Section 1343, a specified unlawful activity as defined in Title 18, United States
21 Code, Sections 1956(c)(7)(A) and 1961(1)(B), or a conspiracy to commit such offenses, an
22 in personam criminal forfeiture money judgment of \$1,349,500.00 in United States Currency.

23 3. If any property being subject to forfeiture pursuant to Title 18, United States
24 Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), as a result
25 of any act or omission of the defendant -

26 a. cannot be located upon the exercise of due diligence;

- 1 b. has been transferred or sold to, or deposited with, a third party;
- 2 c. has been placed beyond the jurisdiction of the court;
- 3 d. has been substantially diminished in value; or
- 4 e. has been commingled with other property which cannot be divided without
- 5 difficulty;

6 it is the intent of the United States of America, pursuant to Title 21, United States Code,
7 Section 853(p), to seek forfeiture of any properties of the defendant for an in personam
8 criminal forfeiture money judgment of \$1,349,500 in United States Currency.

9 All pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28,
10 United States Code, Section 2461(c); Title 18, United States Code, Section 1343, a
11 specified unlawful activity as defined in Title 18, United States Code, Sections 1956(c)(7)(A)
12 and 1961(1)(B); and Title 21, United States Code, Section 853(p).

13 **FORFEITURE ALLEGATION FOUR**
14 (Wire Fraud)

15 1. The allegations contained in Counts Two through Four of this Indictment are
16 hereby realleged and incorporated herein by reference for the purpose of alleging forfeiture
17 pursuant to Title 18, United States Code, Section 982(a)(2)(A).

18 2. Upon conviction of the felony offenses charged in Counts Two through Four
19 of this Indictment,

20 **LANCE KELLOW,**

21 defendant herein, shall forfeit to the United States of America any property constituting, or
22 derived from, proceeds obtained directly or indirectly, as a result of violations of Title 18,
23 United States Code, Section 1343, or a conspiracy to commit such offenses, or any property
24 traceable to such property, an in personam criminal forfeiture money judgment of
25 \$1,349,500.00 in United States Currency.

1 3. If any property subject to forfeiture pursuant to Title 18, United States Code,
2 Section 982(a)(2)(A), as a result of any act or omission of the defendant -

- 3 a. cannot be located upon the exercise of due diligence;
4 b. has been transferred or sold to, or deposited with, a third party;
5 c. has been placed beyond the jurisdiction of the court;
6 d. has been substantially diminished in value; or
7 e. has been commingled with other property which cannot be divided without
8 difficulty;

9 it is the intent of the United States of America, pursuant to Title 21, United States Code,
10 Section 853(p), to seek forfeiture of any properties of the defendant for an in personam
11 criminal forfeiture money judgment of \$1,349,500 in United States Currency.

12 All pursuant to Title 18, United States Code, Section 982(a)(2)(A); Title 18, United
13 States Code, Section 1343; and Title 21, United States Code, Section 853(p).

14 **FORFEITURE ALLEGATION FIVE**
15 (Wire Fraud)

16 1. The allegations contained in Count Five of this Indictment are hereby
17 realleged and incorporated herein by reference for the purpose of alleging forfeiture
18 pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States
19 Code, Section 2461(c).

20 2. Upon conviction of the felony offense charged in Count Five of this
21 Indictment,

22 **VINSON KELLOW,**

23 defendant herein, shall forfeit to the United States of America, any property, real or personal,
24 which constitutes or is derived from proceeds traceable to violations of Title 18, United
25 States Code, Section 1343, a specified unlawful activity as defined in Title 18, United States
26

1 Code, Sections 1956(c)(7)(A) and 1961(1)(B), or a conspiracy to commit such offenses, an
2 in personam criminal forfeiture money judgment of \$416,000.00 in United States Currency.

3 3. If any property being subject to forfeiture pursuant to Title 18, United States
4 Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), as a result
5 of any act or omission of the defendant -

6 a. cannot be located upon the exercise of due diligence;

7 b. has been transferred or sold to, or deposited with, a third party;

8 c. has been placed beyond the jurisdiction of the court;

9 d. has been substantially diminished in value; or

10 e. has been commingled with other property which cannot be divided without
11 difficulty;

12 it is the intent of the United States of America, pursuant to Title 21, United States Code,
13 Section 853(p), to seek forfeiture of any properties of the defendant for an in personam
14 criminal forfeiture money judgment of \$416,000.00 in United States Currency.

15 All pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28,
16 United States Code, Section 2461(c); Title 18, United States Code, Section 1343, a
17 specified unlawful activity as defined in Title 18, United States Code, Sections 1956(c)(7)(A)
18 and 1961(1)(B); and Title 21, United States Code, Section 853(p).

19
20 **FORFEITURE ALLEGATION SIX**
(Wire Fraud)

21 1. The allegations contained in Count Five of this Indictment are hereby
22 realleged and incorporated herein by reference for the purpose of alleging forfeiture
23 pursuant to Title 18, United States Code, Section 982(a)(2)(A).

24 2. Upon conviction of the felony offenses charged in Count Five of this
25 Indictment,

26 **VINSON KELLOW,**

1 defendant herein, shall forfeit to the United States of America any property constituting, or
2 derived from, proceeds obtained directly or indirectly, as a result of violations of Title 18,
3 United States Code, Section 1343, or a conspiracy to commit such offenses, or any property
4 traceable to such property, an in personam criminal forfeiture money judgment of
5 \$416,000.00 in United States Currency.

- 6 3. If any property subject to forfeiture pursuant to Title 18, United States Code,
7 Section 982(a)(2)(A), as a result of any act or omission of the defendant -
8 a. cannot be located upon the exercise of due diligence;
9 b. has been transferred or sold to, or deposited with, a third party;
10 c. has been placed beyond the jurisdiction of the court;
11 d. has been substantially diminished in value; or
12 e. has been commingled with other property which cannot be divided without
13 difficulty;

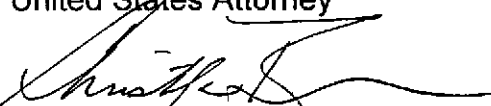
14 it is the intent of the United States of America, pursuant to Title 21, United States Code,
15 Section 853(p), to seek forfeiture of any properties of the defendant for an in personam
16 criminal forfeiture money judgment of \$416,000.00 in United States Currency.

17 All pursuant to Title 18, United States Code, Section 982(a)(2)(A); Title 18, United
18 States Code, Section 1343; and Title 21, United States Code, Section 853(p).

19 **DATED:** this 21st day of December, 2011.

20 **A TRUE BILL:**

21 IS/
FOREPERSON OF THE GRAND JURY

22 DANIEL G. BOGDEN
United States Attorney
23 
24 KATHRYN C. NEWMAN
25 CHRISTINA M. BROWN
Assistant United States Attorneys
26