

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF ILLINOIS

UNITED STATES OF AMERICA,)
)
Plaintiff,)
)
vs.)
)
MAXIMUS A. YANEY, and)
JAMIE L. BRAY,)
also known as "Jamie Lewis,")
)
Defendants.)

CRIMINAL NO. 14-40053-JPG
Title 18, United States Code, Sections
1343 and 1344

FILED

MAY 06 2014

CLERK, U.S. DISTRICT COURT
SOUTHERN DISTRICT OF ILLINOIS
BENTON OFFICE

INDICTMENT

THE GRAND JURY CHARGES:

COUNT 1

(Bank Fraud – 18 U.S.C. § 1344)

1. At times material to this indictment:

a. Defendant MAXIMUS A. YANEY ("YANEY") owned and operated a company known as Titan Student Communities, LLC ("Titan Student Communities"). Titan Student Communities owned rental properties located near colleges and universities, including properties located in Carbondale, Illinois. Titan Student Communities later became Campus Habitat, LLC ("Campus Habitat").

b. YANEY also owned and operated a company known as Titan, LLC.

c. Defendant JAMIE L. BRAY ("BRAY"), also known as "Jamie Lewis," was employed by Titan Student Communities and Campus Habitat.

2. The Marshall Reed Apartments, later known as the Cosmopolitan, was a rental property located in Carbondale, Illinois, that was owned by a company known as Marshall Reed 2003, LLC. Marshall Reed 2003, LLC, later became Campus Habitat 3, LLC.

3. Washington Mutual Bank, NFA (“Washington Mutual”), Old National Bank (“Old National”), NFA, and Greystone Bank, NFA (“Greystone Bank”), were financial institutions, the deposits of which were insured by the Federal Deposit Insurance Corporation (“FDIC”).

4. CFA Capital Partners, LLC (“CFA Capital”), was a company which brokered short-term financing for commercial real estate transactions.

5. Potomac Realty Capital, LLC (“Potomac Realty”), was a real estate financing company that offered short-term financing for commercial real estate transactions.

6. Greystone Servicing Corporation, Inc. (“Greystone Servicing”), was a real estate financing company that offered long-term financing for commercial real estate transactions. Greystone Servicing had a line of credit with Washington Mutual. After Greystone closed real estate financing transactions, it frequently obtained the funds for the transactions by drawing on its line of credit at Washington Mutual.

7. The Federal National Mortgage Association (“Fannie Mae”) was a publicly traded government sponsored enterprise. The purpose of Fannie Mae was to increase the amount of money that lenders had available to make real estate loans. Fannie Mae accomplished this purpose by purchasing real estate loans from lenders.

8. Greystone Servicing frequently sold its real estate loans to Fannie Mae.

9. From at least April 2007, through at least February 2010, in Jackson County, within the Southern District of Illinois, and elsewhere,

MAXIMUS A. YANEY, and
JAMIE L. BRAY,
also known as “Jamie Lewis,”

defendants herein, knowingly devised and engaged in a scheme to defraud Washington Mutual and Greystone Bank, and to obtain money, funds, credit, and property owned by, and under the

custody and control of, Washington Mutual and Greystone Bank, by means of false and fraudulent pretenses, representations, and promises.

10. It was the object of the scheme that YANEY would and did obtain more than \$8,000,000 from Washington Mutual and Greystone Bank through fraudulent real estate transactions involving the Marshall Reed Apartments.

Financing of Initial Purchase of Marshall Reed Apartments

11. YANEY and another individual (“Individual A”) formed and incorporated a business known as H.G. Capital, LLC (“H.G. Capital”) on April 17, 2007.

12. On June 29, 2007, YANEY caused H.G. Capital to enter into an agreement to purchase Marshall Reed 2003, LLC, and its sole asset, the Marshall Reed Apartments. The purchase price of Marshall Reed 2003, LLC, and the Marshall Reed Apartments, was \$2,710,000. YANEY caused the Purchase Agreement for this transaction to be signed in the name of “Individual B” as the manager of H.G. Capital.

13. YANEY caused H.G. Capital to borrow \$1,869,000 on September 21, 2007, from Old National, to finance the purchase of Marshall Reed 2003, LLC.

Short Term Financing for Purported Second Purchase of Marshall Reed Apartments

14. On November 13, 2007, YANEY, working through CFA Capital, caused Potomac Realty to provide short-term financing in the amount of \$8,400,000 for a purported purchase of the Marshall Reed Apartments by Titan, LLC.

15. YANEY represented to CFA Capital that Titan, LLC, had entered into an agreement to purchase Marshall Reed 2003, LLC, from H.G. Capital for \$9,780,000.

16. YANEY caused to be submitted to CFA Capital, and CFA Capital’s appraiser, a “Purchase Agreement” which represented that Titan, LLC, was purchasing Marshall Reed 2003, LLC, from H.G. Capital for \$9,780,000. YANEY signed the Purchase Agreement as a

“member,” or owner, of Titan, LLC. YANEY caused the Purchase Agreement to be signed in the name of “Individual B” as the manager of H.G. Capital.

17. YANEY concealed from CFA Capital, Potomac Realty, and the appraiser, his ownership interest in H.G. Capital, and that the purported sale of Marshall Reed 2003, LLC, by H.G. Capital to Titan, LLC, was not an arms-length transaction.

18. In order to cause CFA Capital and Potomac Realty to approve the \$8,400,000 loan, YANEY and BRAY engaged in fraudulent acts designed to increase the appraised value of the Marshall Reed Apartments.

19. YANEY and BRAY caused a fraudulent Rent Roll for the Marshall Reed Apartments to be submitted to the appraiser. This fraudulent Rent Roll falsely represented that the rental income for the Marshall Reed Apartments was significantly higher than it actually was.

20. During the appraisal process, BRAY posed as the Property Manager of the Marshall Reed Apartments, falsely represented her identity, and concealed the fact that she was actually an employee of one of YANEY’s companies.

21. BRAY caused certain items to be purchased and placed in unoccupied apartments at the Marshall Reed Apartments for the purpose of deceiving the appraiser and causing him to believe that the apartments were actually occupied.

22. BRAY hired certain individuals to sit in unoccupied apartments at the Marshall Reed Apartments during the appraisal for the purpose of deceiving the appraiser and causing him to believe that the apartments were actually occupied.

23. YANEY and BRAY caused false information to be submitted to the appraiser regarding the number of apartments that had been renovated at Marshall Reed Apartments.

24. The concealments and false information submitted by YANEY and BRAY caused the appraised value of the Marshall Reed Apartments to be significantly higher than it would have been without the concealments and false information.

25. CFA Capital and Potomac Realty approved the \$8,400,000 loan in reliance upon the appraisal and false information referenced above.

26. On November 14, 2007, YANEY caused Potomac Realty to wire transfer \$6,123,342.81 to an account in the name of H.G. Capital at Old National Bank.

27. On November 15, 2007, YANEY caused \$6,123,300.06 to be wire transferred from the account of H.G. Capital at Old National Bank to an account in the name of Campus Habitat at Bank of America. YANEY then used those funds to pay operating expenses of Campus Habitat and to acquire additional properties for the companies he owned and operated.

Long Term Financing for Purported Second Purchase of Marshall Reed Apartment

28. YANEY caused Greystone Servicing to provide long-term loan financing for the purchase of Marshall Reed 2003, LLC, on February 4, 2008. This loan, in the amount of \$8,100,000, was subsequently purchased by Fannie Mae. The proceeds of this loan were to be applied toward the pay-off of the Potomac Realty loan.

29. The appraisal, Purchase Agreement, and fraudulent Rent Roll that were submitted to CFA Capital and Potomac Realty were also submitted to Greystone Servicing.

30. YANEY and BRAY caused false leases to be created for the Marshall Reed Apartments. These false leases supported the fraudulent Rent Roll and showed that the rental income for the Marshall Reed Apartments was significantly higher than it actually was.

31. YANEY and BRAY caused a fraudulent Operating Statement to be submitted to the appraiser. This Operating Statement falsely represented that the net operating income for the Marshall Reed Apartments was higher than it actually was.

32. YANEY concealed from Greystone Servicing the fact that he had an ownership interest in H.G. Capital, and that the purported sale of Marshall Reed 2003, LLC, by H.G. Capital to Titan, LLC, was not an arms-length transaction.

33. BRAY posed as the Property Manager of the Marshall Reed Apartments and falsely represented her identity to individuals hired by Greystone Servicing to inspect the Marshall Reed Apartments.

34. YANEY and BRAY caused false information regarding the occupancy rate of the Marshall Reed Apartments to be submitted to Greystone Servicing.

35. BRAY caused the apartment numbers outside certain apartments to be switched in order to deceive individuals hired by Greystone Servicing about the number of apartments that had been renovated.

36. Greystone Servicing approved the \$8,100,000 loan to Titan, LLC, in reliance upon the appraisal, false information, and concealments referenced above.

Gap Financing

37. On February 8, 2008, in order to cover the difference between Potomac Realty's \$8,400,000 loan, and Greystone Servicing's \$8,100,000 loan, YANEY caused Titan, LLC, Individual A, and himself to receive a \$300,000 loan from Greystone Bank. The proceeds of this loan were applied toward the pay-off of the Potomac Realty loan.

Concealment

38. YANEY and BRAY engaged in acts designed to conceal their scheme to defraud.

39. On or about February 8, 2008,

MAXIMUS A. YANEY, and
JAMIE L. BRAY, also known as "Jamie Lewis,"

defendants herein, knowingly executed and attempted to execute the aforesaid scheme by

causing Washington Mutual to wire transfer \$8,100,000 to First American Title Company, for the benefit of Greystone Servicing, for the purpose of funding the \$8,100,000 loan for the long term financing of the purported purchase of Marshall Reed 2003, LLC;

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

COUNT 2
(Wire Fraud – 18 U.S.C. § 1343)

1. Paragraphs 1 through 8 and 11 through 38 of Count One of this indictment are realleged here.

2. From at least April 2007, through at least February 2010, in Jackson County, within the Southern District of Illinois, and elsewhere,

MAXIMUS A. YANEY, and
JAMIE L. BRAY,
also known as “Jamie Lewis,”

defendants herein, knowingly devised and engaged in a scheme to defraud CFA Capital, Potomac Realty, Greystone Servicing, Greystone Bank, and Fannie Mae, and to obtain money, funds, credit, and property belonging to these entities by means of materially false and fraudulent pretenses, representations, and promises, which scheme is further described in paragraphs 11 through 38 of Count One.

3. On or about November 20, 2009,

MAXIMUS A. YANEY, and
JAMIE L. BRAY, also known as “Jamie Lewis,”

defendants herein, for the purpose of executing the aforesaid scheme, and attempting to do so, knowingly did cause to be transmitted by means of a wire communication in interstate commerce, certain signals, namely an e-mail from YANEY to an employee of Greystone Bank, and certain attached documents, including a November 20, 2009, Rent Roll which falsely

represented that the rental income for the Marshall Reed Apartments was significantly higher than it actually was;

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

FORFEITURE ALLEGATION

1. As a result of the commission of the violations alleged in Counts 1 and 2 of this Indictment,

MAXIMUS A. YANEY,

defendant herein, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property which constitutes or is derived from proceeds traceable to said violations. The property to be forfeited includes, but is not limited to:

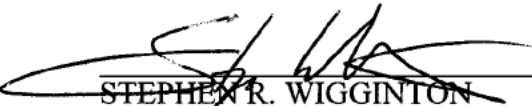
- a. Six million, one hundred and twenty three thousand, three hundred and forty two dollars, and eighty one cents (\$6,123,342.81) in United States funds representing the value of the proceeds obtained by defendant MAXIMUS A. YANEY during the course of the offenses described in Counts 1 and 2 of the Indictment.

A TRUE BILL





SCOTT A. VERSEMAN
Assistant United States Attorney



STEPHEN R. WIGGINTON
United States Attorney

Recommended Bond: \$20,000 Unsecured