

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
SOUTHERN DIVISION

FILED IN OPEN COURT
ON 11-19-08 AB
Dennis P. Iavarone, Clerk
US District Court
Eastern District of NC

UNITED STATES OF AMERICA

v.

| | | |
|-------------------------------------|---|-----------------------------|
| DANIEL ADAM ROOKS |) | NO. <u>7:08 cr 136-1 BR</u> |
| a/k/a Adam Rooks |) | |
| d/b/a Rooks Properties, Inc. |) | |
| d/b/a R&J Development Company, Inc. |) | |
| STANLEY GARFIELD WILLIAMS, JR. |) | NO. <u>7:08 cr 136-2 BR</u> |
| ALFORD EUGENE ROOKS |) | NO. <u>7:08 cr 136-3 BR</u> |
| HENRY CLAY BLAKE, JR. |) | NO. <u>7:08 cr 136-4 BR</u> |
| a/k/a H.C. Blake |) | |
| CYNTHIA TILLEY GREER |) | NO. <u>7:08 cr 136-5 BR</u> |
| a/k/a Cindy Greer |) | |

I N D I C T M E N T

The Grand Jury charges that:

COUNT ONE

(Conspiracy to Commit Wire Fraud and Mail Fraud)

The Conspiracy

At all times relevant herein:

1. Beginning at a time unknown but no later than in or about January 1998 and continuing until in or about April 2004, in the Eastern District of North Carolina and elsewhere, the defendants, DANIEL ADAM ROOKS, STANLEY GARFIELD WILLIAMS, JR., ALFORD EUGENE ROOKS, HENRY CLAY BLAKE, JR., and CYNTHIA TILLEY GREER did knowingly and wilfully conspire, combine, confederate and agree with each other and other persons known and unknown to the Grand Jury to knowingly devise a scheme and artifice to defraud home buyers and banks and other lenders, and to obtain

money and property from the home buyers and lenders, by means of materially false and fraudulent pretenses, representations and promises, and material omissions, and for the purpose of executing and attempting to execute the scheme to defraud would and did (1) transmit and cause to be transmitted by means of wire communications in interstate commerce, writings, signs, signals and sounds, in violation of Title 18, United States Code, Sections 1343 and 2; and (2) cause a matter and thing to be delivered by mail and private and commercial interstate carrier according to the direction thereon, in violation Title 18, United States Code, Sections 1341 and 2.

Introduction

2. Defendant DANIEL ADAM ROOKS, a/k/a and hereafter ADAM ROOKS, was the owner, developer and seller of certain parcels of real property in Columbus County, North Carolina. He did business as Rooks Properties, Inc. and R & J Development Company, Inc., with his principal place of business in Whiteville, North Carolina.

3. Defendant STANLEY GARFIELD WILLIAMS, JR., hereafter STANLEY WILLIAMS, was a licensed mortgage broker employed by 1st Trust Mortgage Services, Inc., among other agencies. As a mortgage broker, he prepared mortgage loan applications and other paperwork for mortgage loan applicants and transmitted the documents to lenders.

4. Defendant ALFORD EUGENE ROOKS, hereafter ALFORD ROOKS, was

a business associate of Adam Rooks, and the provider of bogus down payments used by real estate buyers to obtain financing from lenders to purchase real property offered for sale by Adam Rooks. Down payments were usually required by lenders unless the borrower was refinancing an existing loan. The down payments provided by ALFORD ROOKS, typically in the form of cashier's checks, used to obtain the mortgage loan, were not revealed to the lenders or to the buyers and were falsely noted on the HUD-1 settlement statement as coming from the borrower. ALFORD ROOKS also provided bank accounts for the profits and proceeds of real estate closings to be deposited, while concealing the real participants and beneficiaries of the transaction.

5. Defendant HENRY CLAY BLAKE, JR., a/k/a/ and hereafter H.C. BLAKE, was a registered property appraiser and prepared false and inflated appraisals of certain parcels of real property that were submitted to mortgage lenders, which false and inflated appraisals were relied upon by various lenders to determine the value of the real property, the collateral for the mortgage loan.

6. Defendant CYNTHIA TILLEY GREER, a/k/a and hereafter CINDY GREER, was employed as a paralegal and notary by a law firm in Whiteville, North Carolina where she prepared and notarized various real estate documents including the HUD-1 settlement statement. She also arraigned and conducted real estate closings, sometimes without the borrower's knowledge or presence, and prepared and

disbursed settlement checks.

The Purpose of the Conspiracy

7. It was the purpose of the conspiracy for the defendants to unlawfully enrich themselves by submitting false, fabricated and fraudulent mortgage loan applications and related documents to banks and other lending institutions, thereby inducing the banks and lending institutions to make mortgage loans on residential real estate to unqualified buyers in amounts that were substantially greater than the fair market value of the properties. It was further the purpose of the conspiracy for the defendants to use the mortgage loan money received in excess of the true purchase price of the properties to pay themselves profits and to further promote the mortgage fraud scheme.

The Manner and Means of the Conspiracy

The Early Phase: Development and Sale

8. In the early phase of the conspiracy, beginning in the late 1990's, ADAM ROOKS bought certain parcels of real property in Columbus County, North Carolina. He developed and placed mobile homes on the properties and solicited low income, first-time buyers with promises of no down payment financing and low monthly payment, as well as help in applying for a mortgage loan. He also sold individual parcels of property, not part of his four primary developments. In order to provide mortgage loans to buyers, ADAM ROOKS partnered with two mortgage broker services: STANLEY

WILLIAMS, a mortgage broker, who, during the conspiracy, worked for several different mortgage broker services in and around Wilmington, North Carolina and the now-defunct Goldstar Mortgage Company, Inc., hereafter Goldstar, with its principal place of business in Greenville, North Carolina.

9. STANLEY WILLIAMS and Goldstar, as the primary mortgage brokers for ADAM ROOKS, prepared false, fabricated and fraudulent mortgage loan applications and other documents and transmitted them, by wire and mail, to lending institutions and banks to induce the lenders to make loans to unqualified buyers. The false, fabricated and fraudulent information provided in the mortgage loan applications, and other documents, included false material statements that (1) the buyer was refinancing an existing loan when the buyer was purchasing the property for the first time; (2) the seller, usually ADAM ROOKS, was taking a second mortgage on the property or the buyer was paying a down payment, both of which were false; (3) the buyer was employed at a particular job, for a stated number of years, making a stated wage, much of which was false or exaggerated; (4) the buyer lived and paid a rent, on time, at a certain address for a number of years, sometimes stated to be the very address the buyer was attempting to purchase, all of which was false or exaggerated; and (5) the buyer had various assets, such as cash, automobiles and life insurance policies, all of which was false, fabricated and fraudulent. During the early phase, ADAM

ROOKS and STANLEY WILLIAMS, aided and abetted by ALFORD ROOKS, CINDY GREER and others, prepared and submitted to banks and lending institutions, false and fraudulent mortgage loans applications and other documents which resulted in approximately 60 mortgage loans, all but one of which was foreclosed, resulting in a losses to lenders in excess of \$3,500,000.

The Later Phase: Foreclosure and Resale

10. Beginning in early 2000, with most of the early phase properties initially sold by ADAM ROOKS and foreclosed by the lenders, STANLEY WILLIAMS and others, sometimes with the financial assistance of ADAM ROOKS, began purchasing the foreclosed properties and solicited others, often times other mortgage brokers, as "investors" to purchase the now price-depressed foreclosed properties and resell them quickly (called "flipping") at prices inflated by false and fraudulent real estate appraisals. The inflated appraisals, most of which, in the later phase, were prepared by H.C. BLAKE, were used to induce lenders to believe the property was worth the flipped price, which was substantially higher than the foreclosed price. In addition to the investors, STANLEY WILLIAMS and others, sought out persons to act as "straw buyers." Generally, straw buyers are individuals who agree to have property and mortgage loans put in there names, usually for a short period of time and usually for money. In this scheme, the straw buyers needed to fit a financial profile, determined by the

various lenders, that would enable the straw buyers to obtain mortgages from the lenders to purchase the properties in the straw buyers' name. The straw buyers would lend their name and other biographical information, including social security information, to STANLEY WILLIAMS and others working with him, then STANLEY WILLIAMS and others would fabricate and inflate the straw buyers' true profiles with false statements concerning employment and income, assets, work history and liabilities, most such fabrication being done without the knowledge of the straw buyers. The straw buyers were promised, and sometimes paid, several thousand dollars for the use of their name and other information and assured that they would not be responsible for making the mortgage payments.

11. Once the straw buyer furnished his or her biographical information, STANLEY WILLIAMS and others, prepared false, fabricated and fraudulent mortgage loan applications and other documents and transmitted them, by wire and mail, to the lending institutions and banks to induce the lenders to make loans to the straw buyers. The false, fabricated and fraudulent information provided in the mortgage loan applications and other documents included false material statements that (1) the property was intended to be a primary, owner-occupied residence, when the buyer, in fact, had no intention of living at the property and, in most cases, never saw the property; (2) the seller, usually STANLEY WILLIAMS, had and maintained a down payment from the straw buyer

outside of closing, when, in fact, no down payments were made by the straw buyers; (3) the buyer was employed at a particular job, sometimes allegedly working for various ADAM ROOKS enterprises, for a stated number of years, making a stated wage, all of which were false; (4) the buyer had various assets, such as specific bank accounts or specific investment accounts, which accounts had reportedly been verified by the loan officer, all of which was false, fabricated and fraudulent.

12. STANLEY WILLIAMS and others, bought foreclosed properties at a price between \$9,000 and \$28,000 each and resold the same properties, sometimes within days of each other, for \$61,000 to \$84,000 per property. In all of the later phase foreclosure sales, STANLEY WILLIAMS secured the appraisal services of H.C. BLAKE, whose appraisals reported average property value increases, between the foreclosure sale to STANLEY WILLIAMS, and the sale to the straw buyers or investors, of 460%. Many of the approximately twenty five appraisals done by H. C. BLAKE for STANLEY WILLIAMS, were completed prior to STANLEY WILLIAMS purchasing the foreclosed properties for a fraction of the price STANLEY WILLIAMS would, eventually, sell the same property for. The H. C. BLAKE appraisals were furnished to the lending institutions and relied upon by the various lenders to determine the value of the real property, which was used as collateral for the mortgage loan.

13. Once the false and fraudulent mortgage loan applications

were completed by STANLEY WILLIAMS and other mortgage brokers, forwarded to and approved by the lending institutions, a settlement closing was arraigned by CINDY GREER, sometimes conducted in the law office where she worked in Whiteville, N. C. In most cases, the straw buyers and, at times, the sellers, were not present at the closing, but signatures, some of which were forged, were notarized by CINDY GREER. False and fraudulent HUD-1 settlement statements were prepared by CINDY GREER, and purportedly signed by parties who were not present, and in some cases, had never been present in North Carolina. In addition, CINDY GREER, prepared and disbursed settlement checks to various parties who, according to the HUD-1 settlement statement, had no interest in the property, the profits or the proceeds, all of which was concealed from the buyers and the lenders. During the later phase, STANLEY WILLIAMS aided and abetted by ADAM ROOKS, H. C. BLAKE, CINDY GREER and others, prepared and submitted to banks and lending institutions, false and fraudulent mortgage loans applications and other documents which resulted in approximately 30 mortgage loans, all but four of which was foreclosed, resulting in a losses to lenders in excess of \$2,500,000.

OVERT ACTS

In furtherance of the conspiracy and to effect the objects thereof, at least one of the co-conspirators committed and caused to be committed in the Eastern District of North Carolina and

elsewhere, at least one of the following overt facts:

The Early Phase: Development and Sale

Property located at 65 Fairfield Dr., Whiteville, N.C.

14. On or about October 25, 1999, ADAM ROOKS bought the property at 65 Fairfield Dr., Whiteville, N.C. for \$9,000, added a mobile home and sold it to Buyer/Borrower LM on November 17, 1999 for \$65,500.

15. Between on or about November 2, 1999, and on or about November 24, 1999, ADAM ROOKS and STANLEY WILLIAMS caused to be submitted to New Century Mortgage Corporation, a Uniform Residential Loan Application for the property at 65 Fairfield Dr., Whiteville, N.C. in a loan amount of \$53,900, which falsely and fraudulently stated that LM had a face-to-face interview for the loan at 1st Trust Mortgage Services, Inc., where STANLEY WILLIAMS worked, that LM was applying for a refinance loan, not a purchase loan; that LM had been living at the property and paying rent to Rooks for 14 months, when Rooks did not own the property until October 24, 1999; that LM had assets of \$84,000, including the 65 Fairfield Dr. property, which LM did not own and had an existing deed of trust for \$65,800 in favor of Daniel Adam Rooks, who LM did not owe.

16. Between on or about November 2, 1999, and on or about November 24, 1999, ADAM ROOKS and STANLEY WILLIAMS caused to be submitted to New Century Mortgage Corporation, in support of the

false and fraudulent loan application mentioned above, the following fabricated documents: A document entitled "Offer to Purchase and Contract" that included the forged signature of LM, dated September 15, 1998, which date was ten months before Rooks owned the property, purporting to convey some interest in the property from Daniel Adam Rooks to LM for \$600 per month; eleven fabricated money order receipts for rent of \$600 each, payable to Daniel Adam Rooks; a fabricated "pay off" letter from Rooks; and two fabricated credit verification letters for LM.

17. On or about November 24, 1999, CINDY GREER prepared a HUD-1 settlement statement and other loan documents including a deed of trust to facilitate the closing of the property, a closing that LM did not attend, which falsely and fraudulently stated that ADAM ROOKS had taken a second deed of trust for \$11,550 from the buyer; that LM would provide \$4,950.90 at settlement; and, that failed to disclose the loan was a purchase loan, not a refinance loan; and failed to disclose that the seller was ADAM ROOKS. In addition, CINDY GREER, prepared a false and fraudulent deed of trust for \$11,550 in favor of ADAM ROOKS, and falsely notarized the signatures of LM.

18. On or about November 30, 1999, ADAM ROOKS, STANLEY WILLIAMS and CINDY GREER caused a wire transfer of \$53,097.82 in mortgage funds from an account of New Century Mortgage Corporation in Minnesota to the bank account of the law firm where CINDY GREER

worked in Whiteville, N.C.

Property located at 115 Willow Run Lane, Whiteville, N.C.

19. On or about September 9, 1998, ADAM ROOKS bought about nine acres of property in Columbus County for \$27,500, subdivided and named the property Willow Run, added a mobile home to lot 115 Willow Run Lane and sold the property to Buyers/Borrowers RM and spouse PM on October 21, 1999, for \$74,500.

20. Between on or about October 12, 1999, and on or about October 21, 1999, ADAM ROOKS and Goldstar caused to be submitted to Superior Bank, F.S.B., a loan package for the property at 115 Willow Run Lane, Whiteville, N.C. for a mortgage loan in the amount of \$54,000, which loan package included a Uniform Residential Loan Application that falsely and fraudulently stated that the buyers had provided financial information for the loan application to Goldstar pursuant to a telephone interview, and that failed to disclose the \$23,598.55 downpayment was from ALFORD ROOKS.

21. Between on or about October 12, 1999, and on or about October 21, 1999, ADAM ROOKS and Goldstar caused to be submitted to Superior Bank, F.S.B., in support of the false and fraudulent loan application mentioned above, the following false and misleading documents: An "Offer to Purchase and Contract" that included the forged signatures of RM and PM purporting to convey some interest in the property for \$72,000; an "affidavit" signed by the buyers stating that "no funds have been borrowed for the downpayment," and

a fabricated "Verification of Rent" form.

22. On or about October 21, 1999, CINDY GREER prepared a HUD-1 settlement statement to facilitate the closing of the property which falsely and fraudulently stated that RM and PM were paying a downpayment of \$23,598.55; and that failed to disclose ALFORD ROOKS was the source of the downpayment.

23. On or about October 20, 1999, ADAM ROOKS, ALFORD ROOKS and CINDY GREER caused a wire transfer of \$53,623.45 in mortgage funds from an account of Superior Bank, F.S.B. in Illinois to the bank account of the law firm where CINDY GREER worked in Whiteville, N.C.

Property located at 827 Burkhead St., Whiteville, N.C.

24. On or about February 4, 1999, ADAM ROOKS bought the property at 827 Burkhead St., Whiteville, N.C. for \$22,500 and sold it to Buyer/Borrower DM on March 12, 1999 for \$75,000.

25. Between on or about February 1, 1999, and on or about March 12, 1999, ADAM ROOKS and STANLEY WILLIAMS caused to be submitted to PinnFund, USA, a Uniform Residential Loan Application for the property at 827 Burkhead St., Whiteville, N.C., in a loan amount of \$52,500, which falsely and fraudulently stated that DM earned \$1,000 per month and received social security payments of \$586.25 per month; that DM had other assets of \$3,750; and that DM would provide a total of \$24,620.28 at closing; and that failed to disclose the amount and source of the \$7,500 downpayment was ALFORD

ROOKS.

26. On or about August 16, 1999, CINDY GREER prepared a HUD-1 settlement statement and other loan documents including a deed of trust to facilitate the closing of the property, a closing DM did not attend. The HUD-1 falsely and fraudulently stated that DM provided \$7,500 in deposit or earnest money; that ADAM ROOKS had taken a second deed of trust for \$15,000 from the buyer; that the buyer had provided an additional \$4,267.33 in cash; and that failed to disclose the true source of the earnest money was ALFORD ROOKS. In addition, CINDY GREER, prepared a false and fraudulent deed of trust for \$15,000 in favor of ADAM ROOKS, which deed of trust was "satisfied" three days later and falsely notarized the signatures of DM.

27. On or about March 12, 1999, ADAM ROOKS, STANLEY WILLIAMS and CINDY GREER caused a wire transfer of \$50,656.25 in mortgage funds from an account of PinnFund, USA in Illinois to the bank account of the law firm where CINDY GREER worked in Whiteville, N.C.

Property located at 420 Soles Rd., Whiteville, N.C.

28. On or about June 23, 1999, ADAM ROOKS bought the property at 420 Soles Rd., Whiteville, N.C. for \$18,500 and sold it to Buyer/Borrower MJ and spouse PJ on August 13, 1999 for \$72,500.

29. Between on or about August 13, 1999, and on or about August 16, 1999, ADAM ROOKS and STANLEY WILLIAMS caused to be

submitted to New Century Mortgage Corporation, a Uniform Residential Loan Application for the property at 420 Soles Rd., Whiteville, N.C. in a loan amount of \$54,375, which falsely and fraudulently stated that Buyer PJ lived at the property and had been paying rent for the preceding 14 months; that PJ had been employed as a supervisor at Daily Erectors, in Clayton, N.C. earning \$2,600 per month; that PJ had a bank account with a balance of \$2,500; that PJ had a life insurance policy for \$250,000 with a net cash value of \$25,000; that PJ had two Ford automobiles worth a combined \$11,500; that PJ had other assets of \$25,000; that PJ had a face-to-face interview with Stanley Williams at 1st Trust Mortgage Services, Inc., in Wilmington, N.C.; and that the addendum to the loan application entitled "Summary of Debts and Disbursements (Refinance Loans Only)" indicated that PJ owed ADAM ROOKS \$72,500 on a first mortgage.

30. Between on or about August 13, 1999, and on or about August 16, 1999, ADAM ROOKS and STANLEY WILLIAMS caused to be submitted to New Century Mortgage Corporation, in support of the false and fraudulent loan application mentioned above, the following fabricated documents: A "Residential Lease with Option to Purchase" with the forged signature of PJ, dated June 22, 1998, which date was eleven months before Rooks owned the property, purporting to convey some interest in the property from Daniel Rooks to PJ for \$550 per month; and thirteen fabricated money order

receipts for \$550 each, all payable to Daniel Rooks.

31. On or about August 16, 1999, CINDY GREER prepared a HUD-1 settlement statement and other loan documents including a deed of trust to facilitate the closing of the property, a closing PJ did not attend. The HUD-1 falsely and fraudulently stated that ADAM ROOKS had taken a second deed of trust for \$18,125 from the buyers; that PJ and MJ would provide \$7,520.32 at settlement; and that failed to disclose the loan was a purchase loan, not a refinance loan and that the seller was ADAM ROOKS. In addition, CINDY GREER, prepared a false and fraudulent deed of trust for \$18,125 in favor of ADAM ROOKS and falsely notarized the signature of PJ.

32. On or about August 20, 1999, ADAM ROOKS, STANLEY WILLIAMS and CINDY GREER caused a wire transfer of \$51,417.46 in mortgage funds to be wired from an account of New Century Mortgage Corporation in Minnesota to the bank account of the law firm where CINDY GREER worked in Whiteville, N.C.

Property located at 2391 Golf Course Rd., Whiteville, N.C.

33. On or about June 19, 2000, STANLEY WILLIAMS bought the foreclosed property at 2391 Golf Course Rd., Whiteville, N.C. for \$20,000. On June 23, 2000, STANLEY WILLIAMS made a deed of trust in favor of DANIEL ADAM ROOKS for \$40,000 and sold the property to Buyer/Borrower SW on July 3, 2000, for \$75,000.

34. Between on or about May 30, 2000, and on or about July 3, 2000, ADAM ROOKS and STANLEY WILLIAMS caused to be submitted to

IndyMac Bank, F.S.B., a Uniform Residential Loan Application for the property at 2391 Golf Course Rd., Whiteville, N.C. in a loan amount of \$60,000, which falsely and fraudulently stated that SW, who was receiving SSI, had been employed in "Operations" with Rooks Properties in Whiteville, N.C. for two years, earning \$2,600 per month; that SW, who had no bank account, had "Personal" assets of \$12,000; that SW had a Ford automobile worth \$8,500; that SW would provide \$16,490 toward the purchase price; and that SW, who spoke only with ADAM ROOKS, had a face-to face-interview with a person at 1st Trust Mortgage Services, Inc., in Wilmington, N.C.

35. Between on or about May 30, 2000, and on or about July 3, 2000, ADAM ROOKS and STANLEY WILLIAMS caused to be submitted to IndyMac Bank, F.S.B., in support of the false and fraudulent loan application mentioned above, the following fabricated documents: a notarized document, dated April 15, 2000, signed by Stanley Williams, stating that Williams received \$15,000 from SW as a downpayment for the property; a "Request for Verification of Employment" form, dated June 23, 2000, signed by Daniel Adam Rooks verifying that SW was employed by Rooks Properties in Operations making \$2,600 per month with "Great" probability of continued employment; and an "Offer to Purchase and Contract," dated April 15, 2000, with the forged signature of SW, who cannot read, purporting to convey some interest in the property from Stanley Williams to SW for \$75,000 with \$15,000 earnest money paid by SW in

cash.

36. On or about July 3, 2000, CINDY GREER prepared a HUD-1 settlement statement and other loan documents to facilitate the closing of the property. The HUD-1 falsely and fraudulently stated that SW was paying a \$15,000 downpayment and paying an additional cash payment of \$263.77.

37. On or about July 3, 2000, ADAM ROOKS, STANLEY WILLIAMS and CINDY GREER caused a wire transfer of \$58,872.79 in mortgage funds from an account of IndyMac Mortgage Holdings, Inc. in New York to the bank account of the law firm where CINDY GREER worked in Whiteville, N.C.

The Later Phase: Foreclosure and Resale

Property located at 102 Willow Run Lane, Whiteville, N. C.

38. On or about August 7, 2001, STANLEY WILLIAMS bought foreclosed property at 102 Willow Run Lane, Whiteville, N.C. for \$16,000, sold it to co-conspirator MG for \$26,000, who put the property in the name of TM and transferred it to co-conspirator and straw buyer TF on or about September 10, 2001.

39. On or about August 24, 2001, H. C. BLAKE prepared an appraisal of the property for 1st Trust Mortgage Services, Inc. which falsely and fraudulently stated that the property had a market value of \$77,000, with TF being the current owner, which appraisal failed to disclose that the property was in need of repairs and that another appraisal dated March 19, 2001, had a

suggested list price of no more than \$32,500 with a tax value of \$30,600.

40. Between on or about August 27, 2001, and on or about September 7, 2001, STANLEY WILLIAMS and co-conspirator TF, caused a false and fraudulent loan application to be prepared and submitted to Countrywide Home Loan, Inc., that falsely represented TF was applying for a refinance loan, not a purchase loan; that TF currently owned the property as a primary residence with no mortgage balance; that TF worked at Corning Fiber Optic earning \$2,531 per month; and that TF had personal assets of \$25,000.

41. On or about September 9, 2001, CINDY GREER prepared a HUD-1 settlement statement and other loan documents, including a deed of trust, to facilitate the closing of the property. The HUD-1 falsely and fraudulently stated that TF was refinancing the property when, in fact, TF was the purchaser; that there were \$11,461.92 in settlement charges to TF; that there were \$42,438 paid to TF; that there were additional disbursements to creditors in the amount of \$8,261; and which failed to disclose that the majority of the proceeds from the lender were split between STANLEY WILLIAMS and co-conspirators MG and TF. In addition, and not disclosed on the HUD-1, CINDY GREER prepared and disbursed law firm checks to facilitate the transfer of the fraud profits and proceeds and to disguise the true participants in scheme, in an amount of at least \$44,800.

42. On or about September 12, 2001, STANLEY WILLIAMS, CINDY GREER and co-conspirators MG and TF caused a wire transfer of \$52,030.88 in mortgage funds from an account of Countrywide Home Loan, Inc., in California to the bank account of the law firm where CINDY GREER worked in Whiteville, N.C.

Property located at 134 Willow Run Lane, Whiteville, N. C.

43. On or about June 13, 2003, co-conspirator ER bought foreclosed property at 134 Willow Run Lane, Whiteville, N.C. for \$9,000 and sold it to Investor BW, on or about August 15, 2003, for \$25,000. On or about November 21, 2003, BW sold the property to Buyer/Borrower DG for \$67,500.

44. On or about September 17, 2003, H. C. BLAKE prepared an appraisal of the property which falsely and fraudulently stated that the property had a market value of \$67,500, with no prior sales of the property within a year, which appraisal failed to disclose that the property had been listed with the Multiple Listing Service in May 2003, at a price of \$8,295 with a tax value of \$37,500.

45. Between on or about November 13, 2003 and on or about November 20, 2003, STANLEY WILLIAMS, co-conspirator ER, and Investor BW, caused a false and fraudulent loan application to be prepared and submitted to lender NBANK, N.A., falsely representing that DG lived at and rented 596 Camp Ground Lot 11, Whiteville, N.C., for the previous three years; that DG was employed at Gulf

Stream Financial, an ADAM ROOKS business, unknown to DG, for three years as office manager earning \$2,080 per month; and that DG had a bank account with \$500.

46. Between on or about September 29, 2003 and on or about November 21, 2003, STANLEY WILLIAMS, co-conspirator ER and Investor BW, caused to be submitted to NBANK, N.A., in support of the false and fraudulent loan application mentioned above, the following fabricated documents: A "Request for Verification of Employment," dated September 29, 2003, purportedly from a person at Alamance Mortgage, Inc., where Investor BW worked, confirming DG's office manager position and salary with Gulf Stream Financial, when, in fact, DG worked at Wendy's restaurant; four forged letters attesting to DG's ability to pay off debt; and a letter from Marco Rooks at Rooks Properties, Whiteville, N.C. stating that DG had paid rent of \$450 per month for the prior fifteen months together with sixteen fabricated rent and deposit receipts for the same period of time.

47. On or about November 21, 2003, Investor BW and STANLEY WILLIAMS caused a wire transfer of \$66,948.61 in mortgage funds from an account of NBANK, N.A. in Georgia to bank account of the closing law firm in Whiteville, N.C.

Property located at 74 Jethro Lane, Whiteville, N. C.

48. On or about July 12, 2002, co-conspirator BC bought foreclosed property at 74 Jethro Lane, Whiteville, N. C., for

\$12,000 and sold it to straw buyer BN on or about August 7, 2002, for \$75,000.

49. On or about July 31, 2002, H. C. BLAKE prepared an appraisal of the property for the lender, First Union National Bank, which falsely and fraudulently stated that the property had a market value of \$75,000, which appraisal failed to disclose that the property had been abandoned and vacant for a year and half, appliances removed and had a true fair market value of no more than \$24,000.

50. On or about August 5, 2002, STANLEY WILLIAMS, aided and abetted by co-conspirators BC, TF and MW, caused a false and fraudulent loan application to be prepared and submitted to First Union National Bank, falsely representing that straw buyer BN was purchasing the property as a primary residence; that BN had been a manager for five years at Floors & More making \$3,100 per month; that BN was making a downpayment of \$18,750; and that BN had \$35,800 cash in the bank.

51. On or about August 9, 2002, CINDY GREER prepared a HUD-1 settlement statement and other loan documents to facilitate the closing of the property. The HUD-1 falsely and fraudulently stated that BN, who lived in Ohio and not present at the closing, personally appeared at closing and provided a downpayment of \$18,750 and an additional \$2,157 in cash. In addition, and not disclosed on the HUD-1, CINDY GREER prepared and disbursed law firm

checks to facilitate the transfer of the fraud profits and proceeds and to disguise the true participants in the scheme, in an amount of at least \$47,700.

52. On or about August 9, 2002, STANLEY WILLIAMS, CINDY GREER and co-conspirators BC and TF, caused a loan closing package and mortgage funds of \$56,250 to be sent by private commercial carrier from First Union National Bank to the bank account of the law firm where CINDY GREER worked in Whiteville, N.C.

Property located at 46 Willow Creek Lane, Whiteville, N. C.

53. On or about April 15, 2002, co-conspirator MW bought foreclosed property at 46 Willow Creek Lane, Whiteville, N.C. for \$20,000 and sold it to straw buyer AH on or about May 15, 2002, for \$77,000.

54. On or about April 11, 2002, H. C. BLAKE prepared an appraisal of the property for First Union National Bank which falsely and fraudulently stated that the property had a market value of \$70,500 with AH being the current owner, which appraisal failed to disclose that the property was vacant, the sixteen year old mobile home on the property was in need of repairs and that another appraisal, dated January 30, 2002, had a suggested list price of no more than \$23,500 with a tax value of \$30,100.

55. Between on or about May 29, 2002, and on or about May 31, 2002, co-conspirator BC, aided and abetted by STANLEY WILLIAMS and co-conspirator TF, caused a false and fraudulent loan application

to be prepared and submitted to lender First Union National Bank, falsely representing that AH was applying for a refinance loan, not a purchase loan; that AH was an office manager at a building supply company earning \$29,000 a year; and that AH had a bank account with \$9,500 and had \$25,000 in additional assets.

56. On or about May 15, 2002, CINDY GREER prepared a HUD-1 settlement statement and other loan documents to facilitate the closing of the property. The HUD-1 falsely and fraudulently stated that AH provided a downpayment of \$25,000 and an additional \$387.24 in cash. In addition, and not disclosed on the HUD-1, CINDY GREER prepared and disbursed law firm checks to facilitate the transfer of the fraud profits and proceeds and to disguise the true participants in the scheme, in an amount of at least \$51,394, including \$5,000 to straw buyer AH for the use of her name and credit data.

57. On or about May 14, 2002, STANLEY WILLIAMS, CINDY GREER and co-conspirators BC and TF, caused a loan closing package and mortgage funds of \$56,250 to be sent by private commercial carrier from First Union Nation Bank to the bank account of the law firm where CINDY GREER worked in Whiteville, N.C.

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

COUNTS TWO THROUGH EIGHT
(Wire Fraud; Aiding and Abetting)

58. The factual allegations in paragraphs two through thirteen of this indictment are adopted and incorporated herein and re-alleged in their entirety as the manner and means of the scheme and artifice to defraud banks and lending institutions.

59. On or about the dates set forth below, in the Eastern District of North Carolina and elsewhere, the defendants enumerated as to each count, did knowingly, willfully and with an intent to defraud, devise a scheme and artifice to defraud and to obtain money from banks and lending institutions by means of materially false and fraudulent pretenses, representations and promises.

60. On or about the dates enumerated as to each count, in the Eastern District of North Carolina and elsewhere, for the purpose of executing and attempting to the scheme and artifice to defraud, the defendants, enumerated as to each count, did knowingly and willfully cause to be transmitted in interstate commerce by means of wire communications, certain signals and sounds, as more particularly described for each count below:

| COUNT | DATE | DEFENDANTS | WIRE COMMUNICATION |
|-------|----------|---|--|
| 2 | 11/30/99 | ADAM ROOKS STANLEY WILLIAMS CINDY GREER | \$53,097.82 wire transfer of mortgage funds for 65 Fairfield Lane, Whiteville, N.C. from New Century Mortgage Corporation in Minnesota to the BB&T account of Law Office, Whiteville, N.C. |
| 3 | 10/20/99 | ADAM ROOKS ALFORD ROOKS CINDY GREER | \$53,623.45 wire transfer of mortgage funds for 115 Willow Run, Whiteville, N.C. from Superior Bank, F.S.B. in Illinois to the BB&T account of Law Office, Whiteville, N.C. |
| 4 | 3/12/99 | ADAM ROOKS STANLEY WILLIAMS ALFORD ROOKS CINDY GREER | \$50,656.25 wire transfer of mortgage funds for 827 Burkhead St., Whiteville, N.C. from PinnFund, USA in Illinois to the BB&T account of Law Office, Whiteville, N.C. |
| 5 | 8/20/99 | ADAM ROOKS STANLEY WILLIAMS CINDY GREER | \$51,417.46 wire transfer of mortgage funds for 420 Soles Rd., Whiteville, N.C. from New Century Mortgage Corporation in Minnesota to the BB&T account of Law Office, Whiteville, N.C. |

| | | | |
|---|----------|--|--|
| 6 | 7/3/00 | ADAM ROOKS STANLEY WILLIAMS CINDY GREER | \$58,872.79 wire transfer of mortgage funds 2391 Golf Course Rd., Whiteville, N.C. from IndyMac Mortgage Holding, Inc. in New York to the BB&T account of Law Office, Whiteville, N.C. |
| 7 | 9/12/01 | STANLEY WILLIAMS H. C. BLAKE CINDY GREER | \$52,030.88 wire transfer of mortgage funds for 102 Willow Run, Whiteville, N.C. from Countrywide Home Loan, Inc. in California to the BB&T account of Law Office, Whiteville, N.C. |
| 8 | 11/21/03 | STANLEY WILLIAMS H. C. BLAKE | \$66,948.61 wire transfer of mortgage funds for 134 Willow Run, Whiteville, N.C. from NBANK, N.A. in Georgia to the BB&T account of Law Office, Whiteville, N.C. |

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

COUNTS NINE AND TEN
(Mail Fraud; Aiding and Abetting)

61. The factual allegations in paragraphs two through thirteen of this indictment are adopted and incorporated herein and re-alleged in their entirety as the manner and means of the scheme and artifice to defraud banks and lending institutions.

62. On or about the dates set forth below, in the Eastern

District of North Carolina and elsewhere, the defendants enumerated as to each count, did knowingly, willfully and with an intent to defraud, devise a scheme and artifice to defraud and to obtain money from banks and lending institutions by means of materially false and fraudulent pretenses, representations and promises.

63. On or about the dates set forth below, in the Eastern District of North Carolina and elsewhere, the defendants, STANLEY WILLIAMS, H. C. BLAKE and CINDY GREER, for the purpose of executing and attempting to execute the scheme and artifice to defraud, did knowingly cause to be delivered by the United States Postal Service and private and commercial interstate carrier, according to the directions thereon, certain matters and things, as described in each count below:

| COUNT | DATE | MAILING |
|-------|---------|---|
| 9 | 8/9/02 | Shipment of closing package for sale of 74 Jethro Lane, Whiteville, N.C. from First Union National Bank to Law Office in Whiteville, N.C. |
| 10 | 5/14/02 | Shipment of closing package for sale of 46 Willow Run Lane, Whiteville, N.C. from First Union National Bank to Law Office in Whiteville, N.C. |

All in violation of Title 18, United States Code, Sections 1341 and 2.

COUNT ELEVEN
(Money Laundering Conspiracy)

64. The factual allegations in paragraphs two through thirteen of this indictment are re-alleged and incorporated herein by reference.

65. From in or about January 1998, the exact date being unknown to the Grand Jury and continuing through in or about April 2004, in the Eastern District of North Carolina and elsewhere, the defendants, DANIEL ADAM ROOKS, STANLEY GARFIELD WILLIAMS, JR., ALFORD EUGENE ROOKS, HENRY CLAY BLAKE, JR., and CYNTHIA TILLEY GREER, did knowingly combine, conspire, confederate and agree with each other and with persons known and unknown to the Grand Jury to commit certain offenses under Title 18, United States Code, Section 1956, namely, to conduct and attempt to conduct financial transactions affecting interstate commerce, which financial transactions, in fact involved the profits and proceeds of specified unlawful activities, knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, and knowing that the transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership and control of the proceeds of such specified unlawful activities.

All in violation of Title 18, United States Code, Section 1956(h).

FORFEITURE NOTICE

The defendants are given notice of the provisions of Title 18 United States Code, Section 981(a)(1)(C), as made applicable by Title 28, United States Code, Section 2461, and Title 18 United States Code, Section 982, that all the defendants' interest in all property specified herein is subject to forfeiture.

As a result of the foregoing offenses as alleged in this indictment, the defendants shall forfeit to the United States any and all property constituting, or derived from, any proceeds the defendants obtained directly or indirectly as a result of the charged offenses and any and all property used or intended to be used in any manner or part to commit and to facilitate the commission of the offenses alleged in the indictment and any property, real or personal, involved in such offenses, or any property traceable to such property.

The forfeitable property includes, but is not limited to:

- (1) personal property;
- (2) real property; and
- (3) currency in the amount of \$450,000, representing the gross profits and proceeds of offenses stated in this indictment.

If any of the above-described forfeitable property, as a result of any act or omission of the defendants,

- (1) cannot be located upon the exercise of due diligence;
- (2) has been transferred or sold to, or deposited with, a

third person;

(3) has been placed beyond the jurisdiction of the court;

(4) has been substantially diminished in value; or

(5) has been commingled with other property which cannot be subdivided without difficulty,

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendants up to the value of the above forfeitable property.

All in accordance with Title 18 United States Code, Sections 981 and 982.



JOHN STUART BRUCE
Acting United States Attorney

A handwritten signature in black ink, appearing to read 'T. B. Murphy', is written over a horizontal line.

BY: THOMAS B. MURPHY
Assistant United States Attorney