

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

United States Courts
Southern District of Texas
FILED

DEC 12 2018

David J. Bradley, Clerk of Court

UNITED STATES OF AMERICA

§

V.

§

CRIMINAL NO.

§

CLARENCE C. ROLAND, III
a.k.a. Joshua Stein

§

§

INDICTMENT

18 CR 710

THE GRAND JURY CHARGES:

At all times material to this Indictment:

COUNT ONE

(Title 18, U.S.C. § 1349)

A. INTRODUCTION

1. CLARENCE C. ROLAND, III worked in the field of mortgage lending for approximately 17 years as a mortgage broker, with various mortgage lending businesses. In approximately 2009 ROLAND began working with Arlando Jacobs, a former mortgage client, to cancel and challenge mortgage loans held in the name of Jacobs or others.

2. ROLAND and Jacobs established various business entities to carry out their fraudulent activities. Restoreloution Trustee Corporation was established in 2010 in the State of Washington. ROLAND and Jacobs also established Restoreloution Reconveyance Corporation in Nevada.

3. On occasion, ROLAND and Jacobs used office space and mailing addresses in the Houston, Texas area in the execution of their scheme to defraud, including 9595 Six Pines Dr., Suite 8210, The Woodlands, Texas, 565 South Mason Rd, Suite 405, Katy, Texas, and 5847 San Felipe, 17th Floor, Houston, Texas.

4. The Federal Deposit Insurance Corporation (FDIC) is an agency of the federal government which insures the deposits of member banks against loss with the purpose of preventing their collapse and instilling public confidence in the nation's banking institutions. Bank of New York Mellon, U.S. Bank, First Tennessee Bank, and Wells Fargo Bank and their respective branches were each a financial institution the deposits of which were insured by the FDIC.

5. First Horizon Home Loans, a division of First Tennessee Bank, is a mortgage lending business that makes federally related mortgage loans

B. FRAUDULENT DEED SCHEME

6. Deed schemes involve the fraudulent acquisition of real property through the manipulation of and filing of fraudulent real property deed documents in the property records of the county in which the real property exists. To accomplish the fraudulent acquisition, numerous other documents are also fabricated and utilized in the scheme to defraud.

7. Title Companies rely on mortgage lenders, and their authorized trustees and servicers, to file property transaction records in the property records of the county in which a specific piece of real property is located. Those records reflect the sale and purchase of the property as well as liens held on the property.

a. Upon the sale of property, the seller of the property executes a Warranty Deed. A Warranty Deed guarantees clear title to the buyer of the property. Statutory Warranty Deeds are used in some states as abbreviated Warranty Deeds which are authorized by statute in those states. Special Warranty Deeds warrant only against defects in title during the seller's time of ownership. Grant Deeds are used for the sale or transfer of real property from one person or entity to another person or entity.

b. Deeds of Trust are executed by the buyer of the property in which a lender funds some or all of the costs of purchase. The Deed of Trust is a deed which reflects that an equitable title in real property was transferred to a trustee, either the lender or a trustee acting on behalf of the lender. The trustee holds the deed as security of the loan between the buyer/borrower and the lender.

8. Subsequent to the purchase/sale transactions additional deeds and records related to the real property can be filed in the county's property records to reflect changes in title or interest, as long as the deeds or documents accurately reflect the intentions of the parties and are authorized by the relevant parties.

c. An Assignment of the Deed of Trust typically occurs when a loan is in default and the lender has the legal authority to foreclose on the loan and take possession of the property. The assignment of the Deed of Trust conveys to another party the claim on that property.

d. An Appoint of Successor Trustee is a document used to appoint a Successor Trustee of a Trust who is not nominated in the trust instrument. Substitution of Trustee is a form filed when a Successor Trustee takes the place of a previous Trustee and is often filed when a loan on real property is paid off or refinanced.

e. A Corporate Assignment of Deed of Trust is an assignment of the Deed of Trust between different businesses.

f. A Deed in lieu of Foreclosure is a deed in which the borrower conveys all interest in a property to the lender to satisfy a defaulted loan and avoid foreclosure.

g. A Grantor, in a Grant, Bargain, and Sale Deed, implies to have or have had an interest in the property but offers no warranties of title to the Grantee.

h. A Full Reconveyance document is a document frequently issued by a mortgage holder indicating that the borrower is released from the mortgage debt and transfers the property title from the lender to the borrower once the mortgage has been paid in full.

i. Trustee's Deed upon Sale is a deed issued by a mortgage holder after foreclosure to a new purchaser. The deed conveys full ownership of the mortgage holder's interest in the real property but does not guarantee clear title.

j. Notice of Default is a formal written notice to a mortgage borrower that a default has occurred and that legal action may be taken by the mortgage holder.

k. Affidavit of True Owner is an affidavit of title specifying under oath that the seller is the actual possessor of the title of the property.

l. Special Power of Attorney is written authorization that grants an agent the authority to act on behalf of the principal under certain specified circumstances.

9. In fraudulent deed schemes, at least one of the parties is unaware that their title or interest in the real property has been inaccurately reflected in the deed records subsequently filed in the county's property records.

C. THE CONSPIRACY

10. From in or about 2009 and continuing through on or about December 31, 2013, in the Southern District of Texas and elsewhere, the defendant,

CLARENCE C. ROLAND, III
a.k.a. Joshua Stein

did knowingly conspire and agree with others known and unknown to the Grand Jury to commit the following offenses against the United States:

a. To knowingly devise and intend to devise a scheme and artifice to defraud, and for obtaining money by means of false and fraudulent pretenses, representations, and promises,

and to knowingly use and cause to be used interstate wire communications facilities in carrying out the scheme to defraud, and their actions affected one or more financial institutions, in violation of Title 18, United States Code, Section 1343;

b. To knowingly execute and attempt to execute a scheme and artifice to defraud financial institutions the accounts of which were insured by the Federal Deposit Insurance Corporation (FDIC), and to obtain money, funds, and property under the custody and control of the financial institutions, by means of false and fraudulent pretenses, representations, and promises in violation of Title 18, United States Code, Section 1344.

D. MANNER AND MEANS OF THE CONSPIRACY

It was part of the conspiracy that:

11. ROLAND and Jacobs fabricated fraudulent documents to defraud mortgage holders by fraudulently transferring the ownership of real property in which the mortgage holder had an interest to shell companies controlled by ROLAND and Jacobs.

12. The documents used in execution of the scheme to defraud were fraudulently signed and notarized by ROLAND, Jacobs and others. ROLAND frequently used the alias Joshua Stein. Jacobs used the aliases Caleb Wright and Dexter Ponzey.

13. ROLAND and Jacobs caused the fabricated documents which purported to convey the mortgage holder's ownership interests of real properties to be filed in the property records of the county in which the real property was located. The fraudulent documents materially misrepresented that the shell companies controlled by ROLAND and Jacobs had mortgage liens on the real properties and materially omitted the lender's interests in the real properties.

14. ROLAND and Jacobs created and utilized various entity names in their fraudulent transactions including, Restorelution Trustee Service Corporation; Restorelution Reconveyance

Corporation; 422 Windsor Way Trust; United National Title Company; InterBank Loan Servicing Corporation; Northwest Ownit Mortgage Solutions, Inc. 2006 Corporate Passthrough Certificates Series 2006; Sooner Trustee Services, LLC; National Recovery REO Services; 10309 Southridge Drive Trust; Southwest Security Passthrough LLC; Federal National Services, LLC; Ananias and Sapphira Investors Group, LLC; and Southwest Wells Fargo 2006 Corporate Pass-Through Certificates Series 2006.

15. ROLAND and Jacobs caused the real properties to be sold, knowing that the title companies would pay the false mortgage liens and false payoffs to fabricated sellers in full with the buyer's funds as part of the real estate transactions.

16. In certain sales transactions, fraudulent Deeds of Trust were filed in the county property records to make it appear that a purported lender, InterBank Loan Servicing, Inc., held a lien on the property which was the subject of the sale transaction. InterBank Loan Servicing, Inc. was a fictitious entity created by ROLAND and Jacobs to further their scheme to defraud.

17. The title company assisting in the closing of the subsequent real estate transaction was provided false and fraudulent information and documents by ROLAND and Jacobs in furtherance of that sale transaction, including false and fraudulent loan payoff statements.

18. ROLAND and Jacobs took a portion of the seller's proceeds from those sales transactions through the fraudulent loan payoff to InterBank Loan Servicing, Inc.

19. ROLAND and Jacobs caused the title companies to wire transfer the fraudulent payoff amounts to bank accounts held in the names Restorelution Reconveyance Corporation and National Recovery REO Services, Inc, and Federal National Services, LLC. Those bank accounts were controlled by ROLAND and Jacobs.

20. ROLAND and Jacobs utilized interstate wire communications in the execution of their scheme to defraud, including Email, wire transfers, and electronic transmissions.

E. ACTS IN FURTHERANCE OF THE SCHEME

In furtherance of the conspiracy described in Count One and to effect the objects thereof, the defendant named therein and other persons both known and unknown to the grand jury, performed or caused the performance of one or more of the following Acts, among others not described herein, in the Southern District of Texas and elsewhere on or about the following dates:

- 1.) January 12, 2010, ROLAND and Jacobs caused to be filed with the Secretary of State of the State of Washington, incorporation documents for Restoreloution Trustee Corporation.
- 2.) April 15, 2010, ROLAND and Jacobs caused to be filed with the Nevada Secretary of State, incorporation documents for Restoreloution Reconveyance Corporation.
- 3.) April 15, 2010, ROLAND and Jacobs opened Bank of America account xxx2643 in the name of Restoreloution Reconveyance Corporation.
- 4.) October 13, 2010, ROLAND caused the incorporation of United National Title Company in the State of Nevada.
- 5.) December 30, 2010, ROLAND and Jacobs caused ROLAND'S family member, D.N., to file incorporation documents in the State of Oklahoma for Sooner Trustee Services, LLC.
- 6.) December 30, 2010, ROLAND and Jacobs caused ROLAND'S family member, D.N., to file incorporation documents in the State of Oklahoma for Southwest Security Passthrough, LLC.
- 7.) February 17, 2011, ROLAND and Jacobs opened Wells Fargo Bank account xxx7179 in the name of Federal National Services, LLC.

422 Windsor Way

8.) May 14, 2010, ROLAND signed as President-Attorney-in-Fact, the Appointment of Successor Trustee document in which Jacobs and his wife as Grantor, appointed Restoreloution Trustee Corporation as Successor Trustee under the trust deed for the property located at 422 Windsor Way, Renton, Washington.

9.) October 13, 2010, ROLAND and Jacobs caused a fraudulent Deed of Full Reconveyance to be filed with the County Clerk in King County, Washington.

10.) August 22, 2012, ROLAND and Jacobs caused a Corporation Assignment of Deed of Trust to be fraudulently signed in the name "Victor Garza" and notarized by F. Vasquez.

11.) December 10, 2012, Jacobs, using the alias "Caleb Wright" of REO Sales, instructed Nextitle to mail any pre-closing conditions and seller documents to 9595 Six Drive, Suite 8210, The Woodlands, Texas 77380.

12.) December 11, 2012, ROLAND and Jacobs caused a letter to be sent from "InterBank Loan Servicing Corp" to Nextitle alleging that 422 Windsor Way Trust does not currently have any active loans with InterBank Loan Servicing Corp.

13.) December 18, 2012, Jacobs using the alias of "Caleb", sent an email from reosales@nationalrecoveryreoservices.com to Nextitle, which directed Nextitle to email the seller's documents to "Caleb", who would get them signed and sent back to Nextitle.

14.) December 19, 2012, Jacobs caused a bank account xxx0796 to be opened in the name National Recovery REO Service, Inc. at Woodforest Bank in Richmond, Texas.

15.) December 21, 2012, ROLAND and Jacobs caused the title company to wire transfer \$178,862.24 in seller proceeds to Woodforest Bank account xxx0796 held in the name National Recovery REO Service, Inc.

16.) December 21, 2012, Jacobs caused a wire transfer of \$26,000 from the National Recovery REO Service, Inc. account xxx0796 at Woodforest Bank to ROLAND and Jacobs' Bank of America account xxx2643 held in the name Restorelution Reconveyance Corporation.

17.) December 21, 2012, Jacobs caused a wire transfer of \$72,000 from the National Recovery REO Service, Inc. account xxx0796 at Woodforest Bank to Jacobs' Bank of America account xxx4005 held in the name of Jacorp Industries Inc.

18.) December 21, 2012, Jacobs caused a wire transfer of \$72,000 from the National Recovery REO Service, Inc. account xxx0796 at Woodforest Bank to ROLAND'S U.S. Bank account xxxx2644 held in the name Ren Esans Development, LLC.

10309 Southridge Drive

19.) October 16, 2011, ROLAND and Jacobs caused a Grant Deed to be executed in which 10309 Southridge Drive, Rancho Cucamonga, California was deeded to "10309 Southridge Drive Trust".

20.) December 21, 2011, ROLAND and Jacobs caused a Substitution of Trustee to be filed with the Clerk of the County of San Bernardino, California naming Sooner Trustee Services, LLC of 565 South Mason Road, Suite 405, Katy, Texas as the Trustee under the Deed of Trust.

21.) March 19, 2012, ROLAND and Jacobs caused a fraudulent Trustee's Deed Upon Sale to be filed in the property records of the County of San Bernardino, falsely claiming that 10309 Southridge Drive Trust paid \$400,000 to acquire the property.

22.) March 29, 2012, ROLAND and Jacobs caused a fraudulent Deed of Trust to be filed in the property records of the County of San Bernardino, falsely stating that 10309 Southridge Drive Trust borrowed \$350,000 from InterBank Loan Servicing Corp and that United National Title Company of 5847 San Felipe, 17th Floor, Houston, Texas is the Trustee.

23.) August 15, 2012, Jacobs sent an email to Shamrock Escrow in California which included an InterBank Payoff Demand.

24.) August 28, 2012, ROLAND and Jacobs caused the title company to wire transfer \$44,118.84 to ROLAND and Jacobs' Bank of America account xxx2643 held in the name Restorelution Reconveyance Corp.

25.) August 28, 2012, ROLAND and Jacobs caused a \$7,000 wire transfer from Bank of America account xxx2643 to ROLAND's U.S. Bank account xxxx3904 held in the name of Restorelution Trustee Corporation.

26.) August 29, 2012, ROLAND and Jacobs caused a \$5,000 wire transfer from Bank of America account xxx2643 to ROLAND's U.S. Bank account xxxx3904 held in the name of Restorelution Trustee Corporation.

27.) August 29, 2012, ROLAND and Jacobs caused a \$5,000 wire transfer from Bank of America account xxx2643 to the account of ROLAND's family member, D.N., at USAA Federal Savings Bank.

1644 Caminito Barlovento

28.) June 14, 2013, ROLAND caused to be filed a Certificate of Limited Liability Company for Ananias and Sapphira Investors Group, LLC in the State of Oklahoma using the alias "Joshua Stein".

29.) October 1, 2013, ROLAND and Jacobs caused to be filed with the County Recorder of San Diego County, a fraudulent Deed in Lieu of Foreclosure concerning 1644 Caminito Barlovento Unit 98, La Jolla, California, in which the owner of the property purportedly granted the property to the fictitious entity Southwest Wells Fargo 2006 Corporate Pass-Through Certificates Series 2006 using the address 565 South Mason Road, Suite 405, Katy, Texas.

30.) November 4, 2013, ROLAND and Jacobs caused to be filed with the County Recorder of San Diego County, a fraudulent Grant, Bargain, and Sale Deed which falsely reflected that Southwest Wells Fargo 2006 Corporate Pass-Through Certificates Series 2006 sold 1644 Caminito Barlovento Unit 98, La Jolla, California to ROLAND's shell company Annanias & Sapphira Investors Group, LLC for \$685,000.

31.) November 4, 2013, ROLAND and Jacobs caused to be filed with the County Recorder of San Diego County, a fraudulent Deed of Trust which falsely represented that Annanias & Sapphira Investors Group, LLC borrowed \$445,250 from InterBank Loan Servicing Corp using the address 5847 San Felipe, 17th Floor, Houston, Texas.

32.) November 29, 2013, ROLAND caused to be provided to the title company, a Certification of Managing Member of Limited Liability Company for Ananias and Sapphira Investors Group LLC which listed "Joshua Stein" as an authorized person to sign on the entity's behalf.

33.) December 11, 2013, ROLAND and Jacobs caused the title company to wire transfer \$474,010 to ROLAND and Jacob's Wells Fargo Bank account xxx7179 held in the name Federal National Services, LLC Expense Account as a payoff to InterBank Loan Servicing Corp for the outstanding lien reflected in the fraudulent Deed of Trust.

34.) December 11, 2013, ROLAND and Jacobs caused a wire transfer of \$160,000 to S.S., from the Federal National Services, LLC Expense Account at Wells Fargo Bank, account xxx7179.

35.) December 13, 2013, ROLAND and Jacobs caused a wire transfer of \$10,000 from the Federal National Services, LLC Expense Account at Wells Fargo Bank account xxx7179 to

ROLAND and Jacob's Bank of America account xxx2643 held in the name Restorelution Reconveyance Corp.

36.) December 13, 2013, ROLAND purchased a cashier's check payable to CLARENCE ROLAND in the amount of \$80,000 with funds held in Federal National Services, LLC Expense Account at Wells Fargo Bank, account xxx7179.

37.) December 19, 2013, ROLAND purchased a cashier's check payable to CLARENCE ROLAND in the amount of \$20,000 with funds held in Federal National Services, LLC Expense Account at Wells Fargo Bank, account xxx7179.

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

NOTICE OF FORFEITURE
18 U.S.C. § 982(a)(2)

Pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), the United States gives notice to defendant

CLARENCE C. ROLAND, III
a.k.a. Joshua Stein

that upon conviction in Count One, all property constituting, or derived from, proceeds obtained directly or indirectly as a result of such violation is subject to forfeiture.

Property Subject to Forfeiture

The property subject to forfeiture includes, but is not limited to, approximately \$2,700,000.00.

Money Judgment and Substitute Assets

Defendant CLARENCE C. ROLAND, III a.k.a. Joshua Stein is notified that upon conviction, a money judgment may be imposed. In the event that one or more conditions listed in

Title 21, United States Code, Section 853(p) exists, the United States will seek to forfeit any other property of the defendant in substitution up to the total value of the property subject to forfeiture.

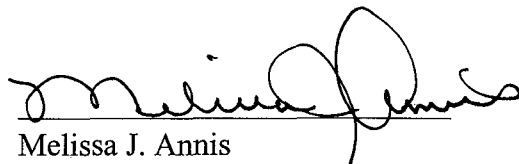
A TRUE BILL:

ORIGINAL SIGNATURE ON FILE

FOREPERSON OF THE GRAND JURY

RYAN K. PATRICK
UNITED STATES ATTORNEY

By:



Melissa J. Annis
Assistant United States Attorney