

VIRGINIA:

Before the Virginia State Bar Disciplinary Board

In the Matter of

Kristina Marie Cardwell

VSB Docket No. 09-000-077709

Attorney at Law

On April 14, 2009, came Kristina Marie Cardwell and presented to the Board an Affidavit Declaring Consent to Revocation of her license to practice law in the courts of this Commonwealth. By tendering her Consent to Revocation at a time when disciplinary charges are pending, she admits that the charges in the attached Exhibit A to Affidavit declaring consent to revocation document are true.

The Board having considered the said Affidavit Declaring Consent to Revocation, and Bar Counsel having no objection, the Board accepts her Consent to Revocation. Accordingly, it is ordered that the license to practice law in the courts of this Commonwealth heretofore issued to the said Kristina Marie Cardwell be and the same hereby is revoked, and that the name of the said Kristina Marie Cardwell be stricken from the Roll of Attorneys of this Commonwealth.

Enter this Order this 14th day of April, 2009

For the Virginia State Bar Disciplinary Board

By *Barbara S. Lanier*
Barbara Sayers Lanier, Clerk of the Disciplinary System

VIRGINIA:

BEFORE THE VIRGINIA STATE BAR DISCIPLINARY BOARD

RECEIVED

IN THE MATTER OF
KRISTINA MARIE CARDWELL

APR 14 2009

VS B Docket No. 09-000-077709

VS B CLERK'S OFFICE

AFFIDAVIT DECLARING CONSENT TO REVOCATION

Kristina Marie Cardwell, after being duly sworn, states as follows:

1. That Kristina Marie Cardwell was licensed to practice law in the Commonwealth of Virginia on April 29, 1997.

2. That Kristina Marie Cardwell submits this Affidavit Declaring Consent to Revocation pursuant to Rule of Court, Part 6, Section IV, Paragraph 13.L.

3. That Kristina Marie Cardwell's consent to revocation is freely and voluntarily rendered, that Kristina Marie Cardwell is not being subjected to coercion or duress, and that Kristina Marie Cardwell is fully aware of the implications of consenting to the revocation of her license to practice law in the Commonwealth of Virginia;

4. Kristina Marie Cardwell is aware that there is currently pending a Rule to Show Cause Why Her License to Practice Law in Virginia Should Not Be Suspended or Revoked, the docket number for which is set forth above, and the specific nature of which is here set forth:

On or about December 4, 2008, Kristina Marie Cardwell pled guilty to Wire Fraud, in violation of Title 18, United States Code, Section 1343 in the United States District Court for the Eastern District of Virginia (Norfolk Division) Criminal No. 2:08cr154-002. The maximum penalty for this offense is a term of twenty (20) years of imprisonment, a fine of \$250,000.00 or twice the value of the property or funds involved in the offense (whichever is greater), full restitution, a special assessment, and three (3) years of supervised release. Cardwell pled guilty because she was in fact guilty of the charged offense, as she admitted several facts in the Statement of Facts attached to the Plea

Agreement, both of which are attached collectively as Exhibit "A". Cardwell admitted that she performed the actions in the Statement of Facts, willfully, knowingly, and with the specific intent to violate the law. Cardwell specifically noted that she did not take the actions by accident, mistake, or with the belief that they did not violate the law.

5. Kristina Marie Cardwell has acknowledged and reiterates that the facts set forth in the Statement of Facts are true; and

6. Kristina Marie Cardwell submits this Affidavit and consents to the revocation of her license to practice law in the Commonwealth of Virginia because she knows that if the hearing is held in the Rule to Show Cause and if the matter is brought to a conclusion, she cannot not successfully defend the matter.

Executed and dated on April 9, 2009.

Kristina Marie Cardwell
Kristina Marie Cardwell
Respondent

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF Virginia Beach, to wit:

The foregoing Affidavit Declaring Consent to Revocation was subscribed and sworn to before me by Kristina Marie Cardwell on April 9, 2009.

Jena L. Elliott
Notary Public

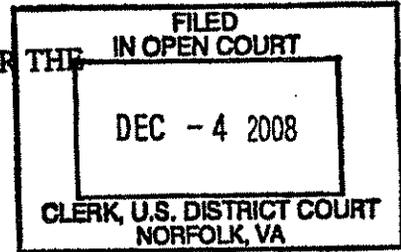
My Commission expires: 4/30/2011.



OFFICIAL SEAL
JENA L. ELLIOTT
NOTARY PUBLIC
COMMONWEALTH OF VIRGINIA
Comm. Expires: 4/30/2011
I.D. # 7126825

IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA

Norfolk Division



UNITED STATES OF AMERICA

v.

KRISTINA MARIE CARDWELL,

Defendant.

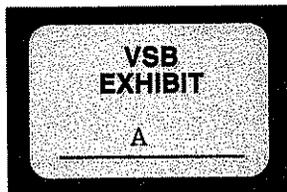
) CRIMINAL NO. 2:08cr154-002
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PLEA AGREEMENT

Dana J. Boente, Acting United States Attorney for the Eastern District of Virginia, Michael C. Moore, Assistant United States Attorney, the defendant, KRISTINA MARIE CARDWELL, and the defendant's counsel, Steven C. Frucci, Esquire, have entered into the following agreement pursuant to Rule 11 of the Federal Rules of Criminal Procedure:

1. **Offense and Maximum Penalties**

The defendant agrees to plead guilty to Count Five of the Superseding Indictment, which charges the defendant with Wire Fraud, in violation of Title 18, United States Code, Section 1343. The maximum penalty for this offense is a term of twenty (20) years of imprisonment, a fine of \$250,000.00 or twice the value of the property or funds involved in the offense (whichever is greater), full restitution, a special assessment, and three (3) years of supervised release. The defendant understands that this supervised release term is in addition to any prison term the defendant may receive, and that a violation of a term of supervised release could result in the defendant being returned to prison for the full term of supervised release.



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2. Factual Basis for the Plea

The defendant will plead guilty because the defendant is in fact guilty of the charged offense. The defendant admits the facts set forth in the statement of facts filed with this plea agreement and agrees that those facts establish guilt of the offense charged beyond a reasonable doubt. The statement of facts, which is hereby incorporated into this plea agreement, constitutes a stipulation of facts for purposes of Section 1B1.2(a) of the Sentencing Guidelines.

3. Assistance and Advice of Counsel

The defendant is satisfied that the defendant's attorney has rendered effective assistance. The defendant understands that by entering into this agreement, defendant surrenders certain rights as provided in this agreement. The defendant understands that the rights of criminal defendants include the following:

- a. the right to plead not guilty and to persist in that plea;
- b. the right to a jury trial;
- c. the right to be represented by counsel – and if necessary have the court appoint counsel – at trial and at every other stage of the proceedings; and
- d. the right at trial to confront and cross-examine adverse witnesses, to be protected from compelled self-incrimination, to testify and present evidence, and to compel the attendance of witnesses.

4. Role of the Court and the Probation Office

The defendant understands that the Court has jurisdiction and authority to impose any sentence within the statutory maximum described above but that the Court will determine the defendant's actual sentence in accordance with 18 U.S.C. § 3553(a). The defendant understands that

the Court has not yet determined a sentence and that any estimate of the advisory sentencing range under the U.S. Sentencing Commission's Sentencing Guidelines Manual the defendant may have received from the defendant's counsel, the United States, or the Probation Office, is a prediction, not a promise, and is not binding on the United States, the Probation Office, or the Court. Additionally, pursuant to the Supreme Court's decision in *United States v. Booker*, 543 U.S. 220, 125 S. Ct. 738 (2005), the Court, after considering the factors set forth in 18 U.S.C. § 3553(a), may impose a sentence above or below the advisory sentencing range, subject only to review by higher courts for reasonableness. The United States makes no promise or representation concerning what sentence the defendant will receive, and the defendant cannot withdraw a guilty plea based upon the actual sentence.

5. Waiver of Appeal, FOIA and Privacy Act Rights

The defendant also understands that Title 18, United States Code, Section 3742 affords a defendant the right to appeal the sentence imposed. Nonetheless, the defendant knowingly waives the right to appeal the conviction and any sentence within the statutory maximum described above (or the manner in which that sentence was determined) on the grounds set forth in Title 18, United States Code, Section 3742 or on any ground whatsoever, in exchange for the concessions made by the United States in this plea agreement. This agreement does not affect the rights or obligations of the United States as set forth in Title 18, United States Code, Section 3742(b). The defendant also hereby waives all rights, whether asserted directly or by a representative, to request or receive from any department or agency of the United States any records pertaining to the investigation or prosecution of this case, including without limitation any records that may be sought under the Freedom of Information Act, Title 5, United States Code, Section 552, or the Privacy Act, Title 5,

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United States Code, Section 552a.

6. Special Assessment

Before sentencing in this case, the defendant agrees to pay a mandatory special assessment of one hundred dollars (\$100.00) per count of conviction.

7. Payment of Monetary Penalties

The defendant understands and agrees that, pursuant to Title 18, United States Code, Sections 3613, whatever monetary penalties are imposed by the Court will be due and payable immediately and subject to immediate enforcement by the United States as provided for in Section 3613. Furthermore, the defendant agrees to provide all of his financial information to the United States and the Probation Office and, if requested, to participate in a pre-sentencing debtor's examination. If the Court imposes a schedule of payments, the defendant understands that the schedule of payments is merely a minimum schedule of payments and not the only method, nor a limitation on the methods, available to the United States to enforce the judgment. If the defendant is incarcerated, the defendant agrees to participate in the Bureau of Prisons' Inmate Financial Responsibility Program, regardless of whether the Court specifically directs participation or imposes a schedule of payments.

8. Restitution for Offense of Conviction and Related Conduct

The defendant agrees to the entry of a Restitution Order for the full amount of the victim's losses attributable to the offense of conviction, and further agrees that restitution is due to a victim of an offense listed in Title 18, United States Code, Section 3663A(c)(1)(A) that is not the offense of conviction but that nonetheless gave rise to this plea agreement. Restitution, which will be fully calculated by sentencing, will be based on losses associated with the defendant's involvement with obtaining mortgages to purchase the following properties: (a) 211 69th Street, Virginia Beach,

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Virginia; and (b) 1573 Indian River Road, Virginia Beach, Virginia.

9. Immunity from Further Prosecution in this District

The United States will not further criminally prosecute the defendant in the Eastern District of Virginia for the specific conduct described in the Indictment, Superseding Indictment, or statement of facts.

10. Dismissal of Other Counts

As a condition of the execution of this agreement and the Court's acceptance of the defendant's plea of guilty, the United States will move to dismiss the remaining counts of the indictment against this defendant after sentencing.

11. Defendant's Cooperation

The defendant agrees to cooperate fully and truthfully with the United States, and provide all information known to the defendant regarding any criminal activity as requested by the government. In that regard:

- a. The defendant agrees to testify truthfully and completely at any grand juries, trials or other proceedings.
- b. The defendant agrees to be reasonably available for debriefing and pre-trial conferences as the United States may require.
- c. The defendant agrees to provide all documents, records, writings, or materials of any kind in the defendant's possession or under the defendant's care, custody, or control relating directly or indirectly to all areas of inquiry and investigation.

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- d. The defendant agrees that, at the request of the United States, the defendant will voluntarily submit to polygraph examinations, and that the United States will choose the polygraph examiner and specify the procedures for the examinations.
- e. The defendant agrees that the Statement of Facts is limited to information to support the plea. The defendant will provide more detailed facts relating to this case during ensuing debriefings.
- f. The defendant is hereby on notice that the defendant may not violate any federal, state, or local criminal law while cooperating with the government, and that the government will, in its discretion, consider any such violation in evaluating whether to file a motion for a downward departure or reduction of sentence.
- g. Nothing in this agreement places any obligation on the government to seek the defendant's cooperation or assistance.

12. Use of Information Provided by the Defendant Under This Agreement

The United States will not use any truthful information provided pursuant to this agreement in any criminal prosecution against the defendant in the Eastern District of Virginia, except in any prosecution for a crime of violence or conspiracy to commit, or aiding and abetting, a crime of violence (as defined in 18 U.S.C. section 16). Pursuant to U.S.S.G. section 1B1.8, no truthful information that the defendant provides under this agreement will be used in determining the applicable guideline range, except as provided in section 1B1.8(b). Nothing in this plea agreement, however, restricts the Court's or Probation Officer's access to information and records in the

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possession of the United States. Furthermore, nothing in this agreement prevents the government in any way from prosecuting the defendant should the defendant provide false, untruthful, or perjurious information or testimony, or from using information provided by the defendant in furtherance of any forfeiture action, whether criminal or civil, administrative or judicial. The United States will bring this plea agreement and the full extent of the defendant's cooperation to the attention of other prosecuting offices if requested.

13. Defendant Must Provide Full, Complete and Truthful Cooperation

This plea agreement is not conditioned upon charges being brought against any other individual. This plea agreement is not conditioned upon any outcome in any pending investigation. This plea agreement is not conditioned upon any result in any future prosecution which may occur because of the defendant's cooperation. This plea agreement is not conditioned upon any result in any future grand jury presentation or trial involving charges resulting from this investigation. This plea agreement is conditioned upon the defendant providing full, complete and truthful cooperation.

14. Motion for a Downward Departure

The parties agree that the United States reserves the right to seek any departure from the applicable sentencing guidelines, pursuant to Section 5K1.1 of the Sentencing Guidelines and Policy Statements, or any reduction of sentence pursuant to Rule 35(b) of the Federal Rules of Criminal Procedure, if, in its sole discretion, the United States determines that such a departure or reduction of sentence is appropriate.

15. The Defendant's Obligations Regarding Assets Subject to Forfeiture

The defendant agrees to identify all assets over which the defendant exercises or exercised control, directly or indirectly, within the past five (5) years, or in which the defendant has or had

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during that time any financial interest. The defendant agrees to take all steps as requested by the United States to obtain from any other parties by any lawful means any records of assets owned at any time by the defendant. The defendant agrees to undergo any polygraph examination the United States may choose to administer concerning such assets and to provide and/or consent to the release of the defendant's tax returns for the previous five years. Defendant agrees to forfeit to the United States all of the defendant's interests in any asset of a value of more than \$1000 that, within the last five (5) years, the defendant owned, or in which the defendant maintained an interest, the ownership of which the defendant fails to disclose to the United States in accordance with this agreement.

16. Forfeiture Agreement

The defendant agrees to forfeit all interests in any fraud-related asset that the defendant owns or over which the defendant exercises control, directly or indirectly, as well as any property that is traceable to, derived from, fungible with, or a substitute for property that constitutes the proceeds of her offense. The defendant further agrees to waive all interest in the asset(s) in any administrative or judicial forfeiture proceeding, whether criminal or civil, state or federal. The defendant agrees to consent to the entry of orders of forfeiture for such property and waives the requirements of Federal Rules of Criminal Procedure 32.2 and 43(a) regarding notice of the forfeiture in the charging instrument, announcement of the forfeiture at sentencing, and incorporation of the forfeiture in the judgment. The defendant understands that the forfeiture of assets is part of the sentence that may be imposed in this case.

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17. Waiver of Further Review of Forfeiture

The defendant further agrees to waive all constitutional and statutory challenges in any manner (including direct appeal, habeas corpus, or any other means) to any forfeiture carried out in accordance with this Plea Agreement on any grounds, including that the forfeiture constitutes an excessive fine or punishment. The defendant also waives any failure by the Court to advise the defendant of any applicable forfeiture at the time the guilty plea is accepted as required by Rule 11(b)(1)(J). The defendant agrees to take all steps as requested by the United States to pass clear title to forfeitable assets to the United States, and to testify truthfully in any judicial forfeiture proceeding. The defendant understands and agrees that all property covered by this agreement is subject to forfeiture as proceeds of illegal conduct, property facilitating illegal conduct, property involved in illegal conduct giving rise to forfeiture, or substitute assets for property otherwise subject to forfeiture.

18. Payment of Taxes and Filing of Tax Returns

The defendant consents to any motion by the United States under Rule 6(e)(3)(E) of the Federal Rules of Criminal Procedure, to disclose grand jury material to the Internal Revenue Service for use in computing and collecting the defendant's taxes, interest and penalties, and to the civil and forfeiture sections of the United States Attorney's Office for use in identifying assets and collecting fines and restitution. If she has not already done so, the defendant also agrees to file true and correct tax returns for the year 2007 and all preceding years within sixty days and to pay all taxes, interest and penalties for the years those years within a reasonable time in accordance with a plan to be devised by the Probation Office. If necessary, the defendant further agrees to make all books, records and documents available to the Internal Revenue Service for use in computing defendant's

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taxes, interest and penalties for the years 2007 and all preceding years.

19. Breach of the Plea Agreement and Remedies

This agreement is effective when signed by the defendant, the defendant's attorney, and an attorney for the United States. The defendant agrees to entry of this plea agreement at the date and time scheduled with the Court by the United States (in consultation with the defendant's attorney). If the defendant withdraws from this agreement, or commits or attempts to commit any additional federal, state or local crimes, or intentionally gives materially false, incomplete, or misleading testimony or information, or otherwise violates any provision of this agreement, then:

- a. The United States will be released from its obligations under this agreement, including any obligation to seek a downward departure or a reduction in sentence. The defendant, however, may not withdraw the guilty plea entered pursuant to this agreement;
- b. The defendant will be subject to prosecution for any federal criminal violation, including, but not limited to, perjury and obstruction of justice, that is not time-barred by the applicable statute of limitations on the date this agreement is signed. Notwithstanding the subsequent expiration of the statute of limitations, in any such prosecution, the defendant agrees to waive any statute-of-limitations defense; and

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c. Any prosecution, including the prosecution that is the subject of this agreement, may be premised upon any information provided, or statements made, by the defendant, and all such information, statements, and leads derived therefrom may be used against the defendant. The defendant waives any right to claim that statements made before or after the date of this agreement, including the statement of facts accompanying this agreement or adopted by the defendant and any other statements made pursuant to this or any other agreement with the United States, should be excluded or suppressed under Fed. R. Evid. 410, Fed. R. Crim. P. 11(f), the Sentencing Guidelines or any other provision of the Constitution or federal law.

Any alleged breach of this agreement by either party shall be determined by the Court in an appropriate proceeding at which the defendant's disclosures and documentary evidence shall be admissible and at which the moving party shall be required to establish a breach of the plea agreement by a preponderance of the evidence. The proceeding established by this paragraph does not apply, however, to the decision of the United States whether to file a motion based on "substantial assistance" as that phrase is used in Rule 35(b) of the Federal Rules of Criminal Procedure and Section 5K1.1 of the Sentencing Guidelines and Policy Statements. The defendant agrees that the decision whether to file such a motion rests in the sole discretion of the United States.

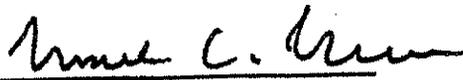
20. Nature of the Agreement and Modifications

This written agreement constitutes the complete plea agreement between the United States, the defendant, and the defendant's counsel. The defendant and his attorney acknowledge that no threats, promises, or representations have been made, nor agreements reached, other than those set

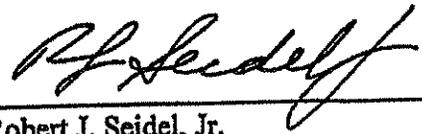
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forth in writing in this plea agreement, to cause the defendant to plead guilty. Any modification of this plea agreement shall be valid only as set forth in writing in a supplemental or revised plea agreement signed by all parties.

Dana J. Boente
Acting United States Attorney

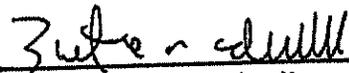
By: 
Michael C. Moore
Assistant United States Attorney

APPROVED:

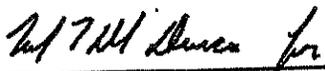

Robert J. Seidel, Jr.
Supervisory Assistant U.S. Attorney

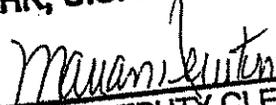
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Defendant's Signature: I hereby agree that I have consulted with my attorney and fully understand all rights with respect to the pending Superseding Indictment. Further, I fully understand all rights with respect to 18 U.S.C. § 3553 and the provisions of the Sentencing Guidelines Manual that may apply in my case. I have read this plea agreement and carefully reviewed every part of it with my attorney. I understand this agreement and voluntarily agree to it.

Date: 12-4-08 
Kristina Marie Cardwell
Defendant

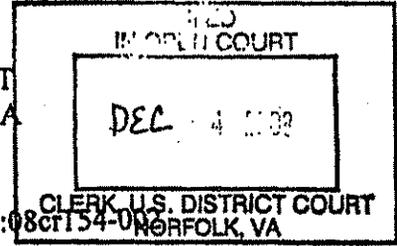
Defense Counsel Signature: I am counsel for the defendant in this case. I have fully explained to the defendant the defendant's rights with respect to the pending Superseding Indictment. Further, I have reviewed 18 U.S.C. § 3553 and the Sentencing Guidelines Manual, and I have fully explained to the defendant the provisions that may apply in this case. I have carefully reviewed every part of this plea agreement with the defendant. To my knowledge, the defendant's decision to enter into this agreement is an informed and voluntary one.

Date: 12-4-08 
Steven C. Frucci, Esquire
Counsel for the Defendant

A TRUE COPY, TESTE:
CLERK, U.S. DISTRICT COURT
BY 
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IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Norfolk Division



UNITED STATES OF AMERICA)
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 v.)
)
 KRISTINA MARIE CARDWELL,)
)
 Defendant.)

CRIMINAL NO. 2:08cr00154-0

STATEMENT OF FACTS

The parties stipulate that allegations contained in Count Five of the Superseding Indictment and the following facts are true and correct, and that had this matter gone to trial, the United States would have proven each of them beyond a reasonable doubt:

I. GENERAL SCHEME

1. At all times relevant to Count Five, defendant Kristina Marie Cardwell (Cardwell) was employed by law firms either directly or indirectly associated with co-defendant Troy Aurelius Titus (Titus). As of May 2005, Cardwell was employed by one such entity, Premier Law Group (Premier). By no later than Spring 2005, Cardwell was aware that Titus had significant financial problems and that there were significant recurring monthly shortfalls in Premier's trust accounts.

2. At some point in 2004 or early 2005, Titus approached Cardwell with a proposal that she act as a "straw purchaser" of several residential properties in Virginia Beach. Titus advised Cardwell that he was unable to obtain mortgages to purchase the properties because of his poor credit. Titus proposed that Cardwell purchase the properties and obtain mortgages for those purchases in her name. Under the proposal, Titus would make the mortgage payments while Cardwell owned them, and the properties and mortgages would remain in Cardwell's name for a short period of time. Titus paid Cardwell \$65,000.00 in several installments for acting as a

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“straw purchaser” of these properties.

3. Generally, Cardwell and Titus used the same process to conduct each of the straw purchases. Cardwell used a loan broker working for Challenge Mortgage (Challenge), a business operating in Chesapeake, Virginia in the Eastern District of Virginia, to facilitate the lending process. Cardwell provided her personal financial information to a loan broker to complete the Uniform Residential Loan Application (“Loan Application”). After Cardwell signed the Loan Application attesting to its accuracy, the loan broker submitted Cardwell's loan application to numerous potential mortgage lenders. Mortgage lenders would respond to Challenge offering suggested terms and including a list of conditions that must be met by Cardwell to obtain approval for the loan. After Cardwell selected a mortgage lender, a loan processor working for Challenge served as the intermediary between Cardwell and the lender. The loan processor ensured that Cardwell provided all of the additional information necessary to satisfy the mortgage lender's loan conditions by contacting Cardwell, obtaining the additional materials, and faxing them to the mortgage lender. After Cardwell had satisfied all of the necessary loan conditions and the parties were ready to close the transaction, the loan processor served as an intermediary between the loan provider and Cardwell's selected settlement agent. In all cases, the settlement agent was Richard A. Conrod, Sr. P.C.

II. 69th STREET PROPERTY

4. The first of the properties purchased by Cardwell was a property located on 69th Street in Virginia Beach, which she purchased from Titus in his capacity as trustee of an entity called the “Addenbrook Family Trust.” At the time of the purchase, Cardwell was aware that Doris Addenbrook, was a client of the law firm. Cardwell purchased this property from Titus for the

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sum of \$560,000.00. Titus provided the funds for the down payment, and Cardwell obtained a mortgage from Long Beach Mortgage in the amount of \$499,999.00.

5. To obtain a mortgage for the 69th Street Property, Cardwell provided her personal financial information to a loan broker working for Challenge to fill out the Uniform Residential Loan Application. This loan application contained numerous materially false statements. For instance, the loan application stated that Cardwell's base employment income per month was \$22,890.00, and that she had \$161,000.00 in an account with Wachovia Bank, N.A. In truth and fact, Cardwell's monthly income was approximately \$9,000.00 and she had approximately \$3,000.00 in the Wachovia account in question. The application also stated falsely that she was a partner at Titus Law Group, when, in truth and fact, at that time she was an associate working for Premier Law Group. This loan application was sent via facsimile from Chesapeake, Virginia to the State of Illinois on or about May 9, 2005. On May 11, 2005, Cardwell attested to the accuracy of the information in the Uniform Residential Loan Application when she signed the loan application at the closing of the real estate transaction.

6. At closing, Cardwell also signed a U.S. Department of Housing & Urban Development Settlement Statement ("Settlement Statement") noting that the borrower had paid \$70,000 in earnest money and had brought \$4,797.70 to closing. Cardwell herself did not pay these funds during or prior to closing; rather, those funds had been provided by Titus. Based, in part, on the aforementioned falsehoods in the loan application, Long Beach Mortgage approved Cardwell for the mortgage and financed her purchase of the 69th Street Property by lending her \$499,999. After the closing, Titus, in his capacity of Trustee of the Addenbrook Trust, received \$415,770.79 in loan proceeds. Almost immediately upon receipt of the funds, the \$415,770.79

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were wired to various individuals and entities to satisfy Titus' personal and professional obligations.

7. For a period of time, Titus made the mortgage payments on the 69th Street Property. He eventually stopped making these payments, however, after which Cardwell began making payments for some time. Eventually Cardwell stopped making payments altogether.

III. DORA COURT PROPERTY

8. Cardwell also purchased a single family home on Dora Court in Virginia Beach for the amount of \$85,000.00 from Alpha Lakeside, LLC, an entity Titus created and controlled.

9. To finance the Dora Court purchase, Cardwell sought a loan in the amount of \$68,000.00 from Wilmington Finance (Wilmington) through Challenge.

10. On December 1, 2004, Cardwell signed a Loan Application seeking a mortgage to enable her to purchase the Dora Court property. On February 16, 2005, a loan processor at Challenge faxed the Loan Application to Wilmington. Again, this Loan Application contained multiple false representations. The loan application sent to Wilmington for Dora Court stated that Cardwell's base employment income per month was \$23,916.00 and that she had \$161,000.00 in an account with Wachovia Bank, N.A. In truth and fact, Cardwell's monthly income was approximately \$9,000.00 and she had approximately \$3,000.00 in the Wachovia account in question. It also falsely stated that Cardwell was a partner at Titus Law Group when, in reality, she was an associate at Premier Law Group. Despite these numerous falsehoods, Cardwell twice affirmed the truth of this Loan Application when she signed it on December 1, 2004 and again on June 16, 2005.

11. Cardwell worked with a loan processor at Challenge to ensure that Wilmington had

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all requisite information needed to approve and close the \$68,000 mortgage. On or about April 13, 2005, Cardwell obtained a \$75,000 check and deposited the \$75,000 check into a bank account that she controlled. At that time, Cardwell was well aware that the \$75,000 in funds did not belong to her. Two days later, on April 15, 2005, an employee of Premier Law Group signed a letter written on Premier Law Group letterhead stating as follows: "This letter shall serve to confirm that Kristina M. Cardwell recently received the sum of \$75,000 as and for payment of bonuses." This statement was false, in that Cardwell had not, in fact, received a \$75,000 bonus from her law firm. Also on April 15, 2005, Cardwell checked her balance of the above-referenced bank account, and obtained an ATM receipt noting that her available balance was \$76,645.00. At some point between April 15, 2005 and May 19, 2005, the loan processor at Challenge was provided with copies of: (1) Cardwell's bank account statement noting the \$75,000 deposit; (2) Ms. Keilman's letter falsely asserting that Cardwell obtained the \$75,000 as payment for bonuses; and (3) the ATM receipt noting that Cardwell's balance was \$76,645.00. On May 19, 2005, the loan processor from Challenge faxed all of these materials to Wilmington for consideration in connection with Cardwell's loan application.

12. On June 16, 2005, Cardwell closed on the mortgage to purchase the Dora Court property from the Titus-controlled entity, Alpha Lakeside Investment, LLC. Based, in part, on the materially false statements in the loan applications and the false representations regarding Cardwell's alleged \$75,000 bonus, Wilmington loaned Cardwell \$68,000.00.

IV. INDIAN RIVER ROAD PROPERTY

13. Finally, Cardwell purchased a single family home on Indian River Road in Virginia Beach for the amount of \$710,000 from Bethel Trust Company, another entity created by

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Cardwell, but ultimately controlled by Titus.

14. To finance the Indian River Road purchase, Cardwell sought two mortgages from Decision One Mortgage Company ("Decision One). The first mortgage was in the amount of \$568,000.00 and the second mortgage was in the amount of \$71,000.00.

15. Going into this transaction, Cardwell was aware that Titus would use the loan proceeds obtained from Decision One to pay his personal and professional debts – including mortgage payments arising from her purchase of the 69th Street and Dora Court properties.

16. On October 3, 2005, Cardwell again signed a loan application that contained multiple materially false statements. The loan application sent to Decision One for the Indian River Road property stated that Cardwell's base employment income per month was \$24,789.00 and that she had \$97,578 in an account with Wachovia Bank, N.A. In truth and fact, Cardwell's monthly income was approximately \$9,000.00 and she had approximately \$3,000.00 in the Wachovia account in question. It also falsely stated that Cardwell was a partner at Titus Law Group when, in reality, she was an associate at Premier Law Group. Despite these numerous falsehoods, Cardwell affirmed the truth of this Loan Application when she signed it on October 3, 2005.

17. Again, Cardwell worked with a loan processor at Challenge to ensure that Decision One had all requisite information needed to approve and close the two mortgages worth well over \$600,000.00. During the application process for Indian River Road, \$91,000.00 was wired into the bank account belonging to Cardwell's revocable living trust from Premier Consulting, an entity associated with Titus. At that time, Cardwell was well aware that the \$91,000.00 in funds did not belong to her.

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18. On September 26, 2005, Cardwell prepared and signed a letter, written on Premier Law Group Letterhead, regarding the Indian River Road property that stated as follows:

This letter shall serve as an explanation of the funds that I have been advised are needed to close on the above-referenced property. On August 23, 2004 [sic], I received as distribution from the firm that I am a partner of and had transferred into my personal checking account the sum of \$91,000.00 so that same reflected a total balance of \$97,578.81 (I was told that I needed to have at least \$93,000.00 verified). I have provided copies of my bank account prior out that verifies this amount. I was thereafter advised that the closing would occur early in the week of September 5. So, on September 2 and in anticipation of the closing the following week (when I would be out of the state on vacation) I wired the money out of my account and provided Power of Attorney so that the closing could occur without me. I am optimistic that the above satisfies your requirements and look forward to completing this transaction immediately.

When she prepared this letter, Cardwell was well aware that this letter was false and that she had not, in fact, received a \$91,000 nonrefundable distribution from her law firm. On September 26, 2005, the loan processor from Challenge faxed a copy of this letter and an online banking statement dated August 23, 2005 from Cardwell's bank account referencing a balance of \$97,678.81. On September 30, 2005, the loan processor from Challenge faxed pages from Cardwell's bank statement noting the \$91,000 wire transfer into her account on August 23, 2005.

19. On October 3, 2005, Cardwell closed on the mortgages to purchase the Indian River Road property from the Titus-controlled entity, Bethel Trust Company. Based, in part, on the materially false statements in the loan applications and the false representations regarding Cardwell's alleged \$91,000 distribution from her law firm, Decision One loaned Cardwell \$568,000.00 for a first mortgage and \$71,000 for a second mortgage.

20. Cardwell, Titus and others used the proceeds from the Indian River Road transaction

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to satisfy Premier Law Group's professional obligations. Cardwell also received a portion of the loan proceeds as compensation for using her credit to purchase the 69th Street, Dora Court and Indian River Road properties, and to pay the mortgages on the 69th Street and Dora Court properties.

21. For a period of time, Titus made the mortgage payments on the Indian River Road Property. He eventually stopped making these payments, however, after which Cardwell began making payments for some time. Eventually Cardwell stopped making payments altogether.

V. CONCLUSION

22. The actions taken by the defendant as described above were taken willfully, knowingly, and with the specific intent to violate the law. The defendant did not take those actions by accident, mistake, or with the belief that they did not violate the law. The defendant acknowledges that the purpose of the foregoing statement of facts is to provide an independent factual basis for her guilty plea. It does not necessarily describe all of the defendant's activity with respect to this illegal conduct charged in this case. It also does not necessarily identify all of the persons with whom the defendant might have engaged in illegal activity.

Respectfully submitted,

DANA J. BOENTE
ACTING UNITED STATES ATTORNEY

By: Michael C. Moore
Michael C. Moore
Assistant United States Attorney

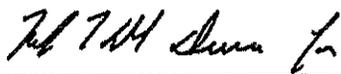
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After consulting with my attorney and pursuant to the plea agreement entered into this day between the defendant Kristina Marie Cardwell and the United States, I stipulate that the above Statement of Facts is true and accurate, and that had the matter proceeded to trial, the United States would have proved the same beyond a reasonable doubt.

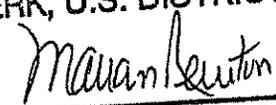


Kristina Marie Cardwell

I am Kristina Marie Cardwell's attorney. I have carefully reviewed the above Statement of Facts with her. To my knowledge, her decision to stipulate to these facts is an informed and voluntary one.



Steven C. Frucci, Esquire

A TRUE COPY, TESTE:
CLERK, U.S. DISTRICT COURT
BY 

DEPUTY CLERK

