

VIRGINIA:

Before the Virginia State Bar Disciplinary Board

In the Matter of

William David Timberlake

VSB Docket No. 10-000-083869

Attorney at Law

On June 18, 2010, came William David Timberlake and presented to the Board an Affidavit Declaring Consent to Revocation of his license to practice law in the courts of this Commonwealth. By tendering his Consent to Revocation at a time when disciplinary charges are pending, he admits that the charges in the attached Affidavit Declaring Consent to Revocation with Attachments are true.

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

Entered this 22nd day of June, 2010

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

JUN 18 2010

IN THE MATTER OF
WILLIAM DAVID TIMBERLAKE

VS
VS B CLERK'S OFFICE

VSB Docket No. 10-000-083869

AFFIDAVIT DECLARING CONSENT TO REVOCATION

William David Timberlake, after being duly sworn, states as follows:

1. That William David Timberlake was licensed to practice law in the Commonwealth of Virginia on 09/29/1983;
2. That William David Timberlake submits this Affidavit Declaring Consent to Revocation pursuant to Rule of Court, Part 6, Section IV, Paragraph 13-28.
3. That William David Timberlake's consent to revocation is freely and voluntarily rendered after having had the opportunity to review this decision and consult about it with his counsel Franklin Alex Swartz, that William David Timberlake is not being subjected to coercion or duress, and that William David Timberlake is fully aware of the implications of consenting to the revocation of his license to practice law in the Commonwealth of Virginia;
4. William David Timberlake is aware that there is currently pending a complaint involving allegations of misconduct, the docket number for which is set forth above, and the specific nature of which is here set forth:
 - i. On April 1, 2010, the United States Attorney filed a Criminal Information in the U.S. District Court, Eastern District, Norfolk Division charging William David Timberlake with the commission of multiple felonies of defrauding lenders in the course of serving as settlement agent in the

closing of seven (7) residential real estate loans from September 1, 2005-May 19, 2006. United States of America v. William D. Timberlake, Criminal No. 2:10cr43. See, VSB Ex. 1.

- ii. On May 17, 2010, William David Timberlake entered into a plea agreement in which he pled guilty to the felony of wire fraud, 18 USC 1343, the maximum penalty for which includes thirty (30) years of imprisonment and a fine of \$1,000,000. See, VSB Ex. 2.
- iii. As part of the Plea Agreement, William David Timberlake also executed a Statement of Facts setting forth facts that he agreed the United States would establish beyond a reasonable doubt if the case were to proceed to trial. See, VSB Ex. 3. Therein, William David Timberlake agreed that in the course of acting as settlement agent in seven (7) residential real estate closings, he “devised and executed a fraudulent scheme and artifice” to obtain financing from four lenders based upon HUD-1 Settlement Statements he prepared and submitted and which he knew did not accurately reflect receipts and disbursement of funds. This included concealment of agreements that buyers would receive portions of seller’s proceeds which according to the HUD-1 should have been disbursed to seller. As a result, lenders incurred the following losses when the loans on five of the seven properties went into default and were sold at foreclosure:

Litton Loan Servicing-	\$134,043.23
Banco Popular N.A.-	\$157,461.15
HomEq Servicing -	\$ 26,347.36
LCS Financial-	\$ 28,400.00
Wilshire Credit Corp	\$130,199.92
Saxson Mtg. Svcs	\$105,406.07
Ocwen Loan Svcng	\$ 47,227.02

William David Timberlake agrees that the aforesaid conduct violated the following Rule of Professional Conduct:

RULE 8.4 Misconduct

It is professional misconduct for a lawyer to:

- (b) commit a criminal or deliberately wrongful act that reflects adversely on the lawyer's honesty, trustworthiness or fitness to practice law;
- (c) engage in conduct involving dishonesty, fraud, deceit or misrepresentation which

reflects adversely on the lawyers fitness to practice law;

5. William David Timberlake acknowledges that the material facts upon which the allegations of misconduct are predicated are true; and

6. William David Timberlake submits this Affidavit and consents to the revocation of his license to practice law in the Commonwealth of Virginia because he knows that if the disciplinary proceedings based on the said alleged misconduct were brought or prosecuted to a conclusion, he could not successfully defend them.

Executed and dated on June 10, 2010.

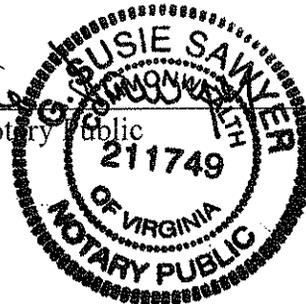
William David Timberlake
William David Timberlake
Respondent

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF Worcester, to wit:

The foregoing Affidavit Declaring Consent to Revocation was subscribed and sworn to before me by William David Timberlake on June 10, 2010.

Susie Sankler
Notary Public

My Commission expires: 8.31.13.



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MAY 10 2010

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

FILED
APR - 1 2010
CLERK, US DISTRICT COURT
NORFOLK, VA

VS Clerk Office

UNITED STATES OF AMERICA)

v.)

WILLIAM D. TIMBERLAKE,)

Defendant.)

CRIMINAL NO. 2:10cr 43

18 U.S.C. § 1343

Wire Fraud

Forfeiture

CRIMINAL INFORMATION

THE UNITED STATES ATTORNEY CHARGES THAT:

During the period from in or about August 2005 through May 2006, in the Eastern District of Virginia, WILLIAM D. TIMBERLAKE, the defendant, did devise and intend to devise a scheme and artifice to defraud Fremont Investment & Loan, Option One Mortgage Corporation, First National Bank of Arizona and Baltimore American Mortgage Corporation, and for obtaining money from said lenders by means of materially false and fraudulent pretenses, representations and promises, which scheme and artifice, and the execution thereof, were in substance as follows:

1. At all material times, WILLIAM D. TIMBERLAKE, the defendant, was an attorney licensed in Virginia with offices located in Virginia Beach, Virginia.
2. The defendant acted as a settlement agent in connection with the closing of residential real estate loans on the following properties:

892 Los Colonis Drive, Virginia Beach, Virginia

2820 Vincent Avenue, Norfolk, Virginia

3020 Guenevere Drive, Chesapeake, Virginia

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

BY P. Shea
DEPUTY CLERK

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3929 Sunstream Parkway, Virginia Beach, Virginia

333 Syms Street, Hampton, Virginia

534 Windward Drive, Chesapeake, Virginia

320 Redbrick Drive, Chesapeake, Virginia

3. The object of the scheme and artifice devised and executed by the defendant was to obtain financing from Fremont Investment & Loan, Option One Mortgage Corporation, First National Bank of Arizona and Baltimore American Mortgage Corporation to fund the closings on the aforesaid properties, on the basis of HUD-1 Settlement Statements prepared and submitted by the defendant which, as the defendant well knew, did not accurately reflect receipts and disbursement of funds.

4. It was a part of said scheme and artifice to defraud that in connection with the closing on the property located at 892 Los Colonis Drive, Virginia Beach, Virginia on September 1, 2005, the defendant knowingly violated the closing instructions of the lender, Fremont Investment & Loan, by concealing an agreement that the buyer would receive a portion of the seller's proceeds. The defendant prepared and submitted to said lender a HUD-1 Settlement Statement which did not accurately reflect the amount of proceeds due to the seller or that the defendant intended to disburse a portion of the seller's proceeds to the buyer. In fact, the defendant disbursed to the buyer the approximate amount of \$35,166.43 from his real estate escrow account, which according to the HUD-1 Settlement Statement should have been disbursed to the seller.

5. It was a further part of said scheme and artifice to defraud that in connection with the closing on the property located at 2820 Vincent Avenue, Norfolk, Virginia on September 16,

2005, the defendant knowingly violated the closing instructions of the lender, Fremont Investment & Loan, by concealing an agreement that the buyer would receive a portion of the seller's proceeds. The defendant prepared and submitted to said lender a HUD-1 Settlement Statement which did not accurately reflect the amount of proceeds due to the seller or that the defendant intended to disburse a portion of the seller's proceeds to the buyer. In fact, the defendant disbursed to the buyer the approximate amount of \$30,000.01 from his real estate escrow account, which according to the HUD-1 Settlement Statement should have been disbursed to the seller.

6. It was a further part of said scheme and artifice to defraud that in connection with the closing on the property located at 3020 Guenevere Drive, Chesapeake, Virginia on September 22, 2005, the defendant knowingly violated the closing instructions of the lender, Fremont Investment & Loan, by concealing an agreement that the buyer would receive a portion of the seller's proceeds. The defendant prepared and submitted to said lender a HUD-1 Settlement Statement which did not accurately reflect the amount of proceeds due to the seller or that the defendant intended to disburse a portion of the seller's proceeds to the buyer. In fact, the defendant disbursed to the buyer the approximate amount of \$35,733.74 from his real estate escrow account, which according to the HUD-1 Settlement Statement should have been disbursed to the seller.

7. It was a further part of said scheme and artifice to defraud that in connection with the closing on the property located at 3929 Sunstream Parkway, Virginia Beach, Virginia on November 8, 2005, the defendant knowingly violated the closing instructions of the lender, Option One Mortgage Corporation, by concealing an agreement that the buyer would receive a

portion of the seller's proceeds. The defendant prepared and submitted to said lender a HUD-1 Settlement Statement which did not accurately reflect the amount of proceeds due to the seller or that the defendant intended to disburse a portion of the seller's proceeds to the buyer. In fact, the defendant disbursed to the buyer the approximate amount of \$37,000.00 from his real estate escrow account, which according to the HUD-1 Settlement Statement should have been disbursed to the seller.

8. It was a further part of said scheme and artifice to defraud that in connection with the closing on the property located at 333 Syms Street, Hampton, Virginia on February 21, 2006, the defendant knowingly violated the closing instructions of the lender, Fremont Investment & Loan, by concealing an agreement that the buyer would receive a portion of the seller's proceeds. The defendant prepared and submitted to said lender a HUD-1 Settlement Statement which did not accurately reflect the amount of proceeds due to the seller or that the defendant intended to disburse a portion of the seller's proceeds to the buyer. In fact, the defendant disbursed to the buyer the approximate amount of \$5,036.87 from his real estate escrow account, which according to the HUD-1 Settlement Statement should have been disbursed to the seller.

In addition, the defendant also violated the lender's instructions by using \$24,783.13 of his own personal funds to pay closing costs, which according to the HUD-1 Settlement Statement should have been paid by the buyer. The defendant subsequently received reimbursement of that amount from funds listed on the HUD-1 Settlement Statement as proceeds due to the seller.

9. It was a further part of said scheme and artifice to defraud that in connection with the closing on the property located at 534 Windward Drive, Chesapeake, Virginia on February 23, 2006, the defendant knowingly violated the closing instructions of the lender, First National

Bank of Arizona, by concealing an agreement that the buyer would receive a portion of the seller's proceeds. The defendant prepared and submitted to said lender a HUD-1 Settlement Statement which did not accurately reflect the amount of proceeds due to the seller or that the defendant intended to disburse a portion of the seller's proceeds to the buyer. In fact, the defendant disbursed to the buyer the approximate amount of \$8,603.88 from his real estate escrow account, which according to the HUD-1 Settlement Statement should have been disbursed to the seller.

In addition, the defendant also violated the lender's instructions by using \$11,786.12 of his own personal funds to pay closing costs, which according to the HUD-1 Settlement Statement should have been paid by the buyer. The defendant subsequently received reimbursement of that amount from funds listed on the HUD-1 Settlement Statement as proceeds due to the seller.

10. It was a further part of said scheme and artifice to defraud that in connection with the closing on the property located at 320 Redbrick Drive, Chesapeake, Virginia on May 19, 2006, the defendant knowingly violated the closing instructions of the lender, Baltimore American Mortgage Corporation, by disbursing funds without first receiving closing costs from the buyer as listed on the HUD-1 Settlement Statement. The defendant knew that the buyer listed on the HUD-1 Settlement Statement was a straw purchaser who would not pay the closing costs. Approximately four days after the closing, the defendant knowingly received closing costs in the amount of \$16,341.48 from a third-party whose identity was concealed from the lender.

11. In reliance on the HUD-1 Settlement Statements which the defendant knew did not accurately reflect receipts and disbursements of funds, the above-referenced lenders made loans totaling approximately \$2,238,650.00. The notes on said loans were subsequently purchased by other companies who sustained losses when the loans on five of the seven properties went into default and were sold at foreclosure. As a result, the following losses were sustained:

Litton Loan Servicing – \$134,043.23

Banco Popular N.A. – \$157,461.15

HomEq Servicing – \$26,347.36

LCS Financial – \$28,400.00

Wilshire Credit Corporation – \$130,199.92

Saxson Mortgage Services – \$105,406.07

Ocwen Loan Servicing – \$47,227.02

12. On or about May 19, 2006, in the Eastern District of Virginia, for the purpose of executing the aforesaid scheme and artifice, WILLIAM D. TIMBERLAKE did cause to be transmitted by means of wire communication in interstate commerce, certain signs, signals, pictures and sounds, that is, a wire transfer of loan closing funds in the amount of \$254,716.37 from Baltimore American Mortgage Corporation in Hanover, Maryland, to TowneBank in Suffolk, Virginia.

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

FORFEITURE

The defendant, WILLIAM D. TIMBERLAKE, if convicted of the offense set forth in this criminal information, shall, as part of the sentencing of the defendant pursuant to Rule 32.2 of

the Federal Rules of Criminal Procedure, forfeit to the United States any property, real or personal, which constitutes or is derived from proceeds traceable to said violation.

Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b), the defendant shall forfeit substitute property, up to the value of the property subject to forfeiture as described above, if, as a result of any act or omission of the defendant, any such property subject to forfeiture cannot be located upon the exercise of due diligence; has been transferred, sold to or deposited with a third party; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty.

(In accordance with 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) and 18 U.S.C. § 982(a)(2)(A).)

Neil H. MacBride
United States Attorney

By: 
Alan M. Salsbury
Assistant United States Attorney
Virginia State Bar No. 15682
101 West Main Street, Suite 8000
Norfolk, Virginia 23510
Tel. - 757-441-6350
Fax - 757-441-6689
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RECEIVED

MAY 20 2010

FILED
IN OPEN COURT
MAY 17 2010
CLERK, U.S. DISTRICT COURT
NORFOLK, VA

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

Norfolk Division

VSB CLERK'S OFFICE

UNITED STATES OF AMERICA)

v.)

CRIMINAL NO. 2:10cr43)

WILLIAM D. TIMBERLAKE)

PLEA AGREEMENT

Neil H. MacBride, United States Attorney for the Eastern District of Virginia, and Alan M. Salsbury, Assistant United States Attorney, and the defendant, WILLIAM D. TIMBERLAKE, and the defendant's counsel, pursuant to Rule 11(c) of the Federal Rules of Criminal Procedure, state that they have entered into the following plea agreement:

1. The defendant, WILLIAM D. TIMBERLAKE, agrees to waive indictment and plead guilty to a single count criminal information. The criminal information charges the defendant with wire fraud, in violation of Title 18, United States Code, Section 1343. The maximum penalty for this offense is thirty (30) years of imprisonment, a fine of \$1,000,000.00, full restitution, and the Court may sentence the defendant to a term of supervised release of not more than five (5) years in addition to any term of incarceration imposed. The defendant understands 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. Prior to or at the time of sentencing, the defendant will pay to the Clerk of Court a special assessment in the amount of one-hundred dollars (\$100.00).

3. The defendant admits that he is in fact guilty of the offense to which he is pleading guilty.

4. If the Court should impose any sentence up to the maximum established by statute, the defendant understands that he cannot withdraw a guilty plea and will remain bound to fulfill all of the obligations under this plea agreement.

5. The defendant is aware 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 maximum provided in the statute of conviction (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 whatever, 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).

6. The defendant shall truthfully disclose all information with respect to the activities of himself and others concerning all matters requested of him by the United States Attorney's Office and any other federal, state or local law enforcement agency assisting the United States Attorney's Office, and agrees to undergo any polygraph examination the

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government may choose to administer; and further, if requested, shall truthfully testify before the Grand Jury and at any trial or court proceeding with respect to any matters about which the United States Attorney's Office may request his testimony.

7. It is further understood that this agreement is limited to the United States Attorney's Office for the Eastern District of Virginia and cannot bind other federal, state, or local prosecuting authorities, although this office will bring the cooperation of the defendant to the attention of those authorities, if requested. Information provided pursuant to this agreement, or derived therefrom, cannot be used or disclosed to prosecute the defendant if he complies with this agreement.

8. In return for the complete fulfillment by the defendant of his obligations under this agreement, the United States Attorney's Office for the Eastern District of Virginia agrees not to further prosecute the defendant for other violations of federal criminal law which are presently known to said office and are not crimes of violence.

9. Notwithstanding any other provision of this agreement, if it is determined that the defendant has given false, incomplete or misleading testimony or information, or otherwise violated any provision of this agreement, this agreement will be considered breached and the defendant will thereafter be subject to prosecution for any federal criminal violation known to the United States Attorney's Office for the Eastern District of Virginia,

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including but not limited to perjury, obstruction of justice and any offense the defendant disclosed before or pursuant to this agreement. Any such prosecution may be premised upon any information provided by the defendant and said information may be used against him.

10. The defendant agrees to forfeit all interests in any asset that the defendant owns or over which the defendant exercises control, directly or indirectly, that is traceable to, derived from, fungible with, or a substitute for property that constitutes the proceeds of his 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. 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).

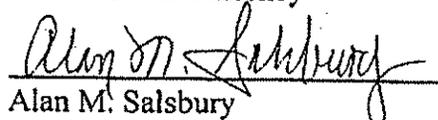
11. This written agreement constitutes the complete plea agreement between the United States, the defendant, and the defendant's counsel. No promises or representations have been made by the United States except as set forth in writing in this plea agreement.

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The defendant acknowledges that no threats have been made against him and that he is pleading guilty freely and voluntarily because the defendant is 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.

Neil H. MacBride
United States Attorney

By:

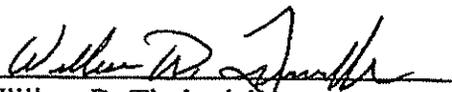


Alan M. Salsbury
Assistant United States Attorney
Virginia State Bar No. 15682
Attorney for the United States
United States Attorney's Office
101 West Main Street, Suite 8000
Norfolk, VA 23510
Office Number - 757-441-6331
Facsimile Number - 757-441-6689
E-Mail Address - alan.salsbury@usdoj.gov

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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 criminal 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.

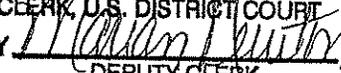
Date: 5-17-10


William D. Timberlake
Defendant

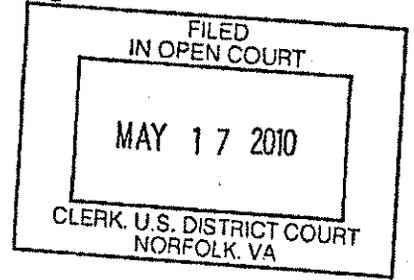
Defense Counsel Signature: I am counsel for the defendant in this case. I have fully explained to the defendant the defendant's rights with respect to the pending criminal indictment. Further, I have reviewed 18 U.S.C. § 3553 and the Sentencing Guidelines Manual, and I have fully explained to the defendant 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: 5-17-10


Franklin A. Swartz, Esq.
Counsel for the Defendant

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

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

UNITED STATES OF AMERICA)	
)	CRIMINAL NO. 2:10cr43
v.)	
)	
WILLIAM D. TIMBERLAKE,)	
)	
Defendant.)	

STATEMENT OF FACTS

If this case were to proceed to trial, the evidence presented by the United States would establish the following beyond a reasonable doubt:

1. At all material times, WILLIAM D. TIMBERLAKE, the defendant, was an attorney licensed in Virginia with offices located in Virginia Beach, Virginia.
2. The defendant acted as a settlement agent in connection with the closing of residential real estate loans on the following properties:

892 Los Colonis Drive, Virginia Beach, Virginia

2820 Vincent Avenue, Norfolk, Virginia

3020 Guenevere Drive, Chesapeake, Virginia

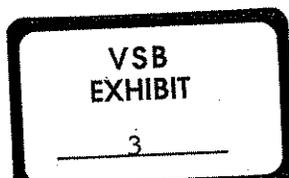
3929 Sunstream Parkway, Virginia Beach, Virginia

333 Syms Street, Hampton, Virginia

534 Windward Drive, Chesapeake, Virginia

320 Redbrick Drive, Chesapeake, Virginia

3. The defendant devised and executed a fraudulent scheme and artifice to obtain financing from Fremont Investment & Loan, Option One Mortgage Corporation, First National Bank of Arizona and Baltimore American Mortgage Corporation to fund the closings on the



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aforesaid properties, on the basis of HUD-1 Settlement Statements prepared and submitted by the defendant which, as the defendant well knew, did not accurately reflect receipts and disbursement of funds.

4. It was a part of said scheme and artifice to defraud that in connection with the closing on the property located at 892 Los Colonis Drive, Virginia Beach, Virginia on September 1, 2005, the defendant knowingly violated the closing instructions of the lender, Fremont Investment & Loan, by concealing an agreement that the buyer would receive a portion of the seller's proceeds. The defendant prepared and submitted to said lender a HUD-1 Settlement Statement which did not accurately reflect the amount of proceeds due to the seller or that the defendant intended to disburse a portion of the seller's proceeds to the buyer. In fact, the defendant disbursed to the buyer the approximate amount of \$35,166.43 from his real estate escrow account, which according to the HUD-1 Settlement Statement should have been disbursed to the seller.

5. It was a further part of said scheme and artifice to defraud that in connection with the closing on the property located at 2820 Vincent Avenue, Norfolk, Virginia on September 16, 2005, the defendant knowingly violated the closing instructions of the lender, Fremont Investment & Loan, by concealing an agreement that the buyer would receive a portion of the seller's proceeds. The defendant prepared and submitted to said lender a HUD-1 Settlement Statement which did not accurately reflect the amount of proceeds due to the seller or that the defendant intended to disburse a portion of the seller's proceeds to the buyer. In fact, the defendant disbursed to the buyer the approximate amount of \$30,000.01 from his real estate

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escrow account, which according to the HUD-1 Settlement Statement should have been disbursed to the seller.

6. It was a further part of said scheme and artifice to defraud that in connection with the closing on the property located at 3020 Guenevere Drive, Chesapeake, Virginia on September 22, 2005, the defendant knowingly violated the closing instructions of the lender, Fremont Investment & Loan, by concealing an agreement that the buyer would receive a portion of the seller's proceeds. The defendant prepared and submitted to said lender a HUD-1 Settlement Statement which did not accurately reflect the amount of proceeds due to the seller or that the defendant intended to disburse a portion of the seller's proceeds to the buyer. In fact, the defendant disbursed to the buyer the approximate amount of \$35,733.74 from his real estate escrow account, which according to the HUD-1 Settlement Statement should have been disbursed to the seller.

7. It was a further part of said scheme and artifice to defraud that in connection with the closing on the property located at 3929 Sunstream Parkway, Virginia Beach, Virginia on November 8, 2005, the defendant knowingly violated the closing instructions of the lender, Option One Mortgage Corporation, by concealing an agreement that the buyer would receive a portion of the seller's proceeds. The defendant prepared and submitted to said lender a HUD-1 Settlement Statement which did not accurately reflect the amount of proceeds due to the seller or that the defendant intended to disburse a portion of the seller's proceeds to the buyer. In fact, the defendant disbursed to the buyer the approximate amount of \$37,000.00 from his real estate escrow account, which according to the HUD-1 Settlement Statement should have been disbursed to the seller.

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8. It was a further part of said scheme and artifice to defraud that in connection with the closing on the property located at 333 Syms Street, Hampton, Virginia on February 21, 2006, the defendant knowingly violated the closing instructions of the lender, Fremont Investment & Loan, by concealing an agreement that the buyer would receive a portion of the seller's proceeds. The defendant prepared and submitted to said lender a HUD-1 Settlement Statement which did not accurately reflect the amount of proceeds due to the seller or that the defendant intended to disburse a portion of the seller's proceeds to the buyer. In fact, the defendant disbursed to the buyer the approximate amount of \$5,036.87 from his real estate escrow account, which according to the HUD-1 Settlement Statement should have been disbursed to the seller.

In addition, the defendant also violated the lender's instructions by using \$24,783.13 of his own personal funds to pay closing costs, which according to the HUD-1 Settlement Statement should have been paid by the buyer. The defendant subsequently received reimbursement of that amount from funds listed on the HUD-1 Settlement Statement as proceeds due to the seller.

9. It was a further part of said scheme and artifice to defraud that in connection with the closing on the property located at 534 Windward Drive, Chesapeake, Virginia on February 23, 2006, the defendant knowingly violated the closing instructions of the lender, First National Bank of Arizona, by concealing an agreement that the buyer would receive a portion of the seller's proceeds. The defendant prepared and submitted to said lender a HUD-1 Settlement Statement which did not accurately reflect the amount of proceeds due to the seller or that the defendant intended to disburse a portion of the seller's proceeds to the buyer. In fact, the defendant disbursed to the buyer the approximate amount of \$8,603.88 from his real estate

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In addition, the defendant also violated the lender's instructions by using \$11,786.12 of his own personal funds to pay closing costs, which according to the HUD-1 Settlement Statement should have been paid by the buyer. The defendant subsequently received reimbursement of that amount from funds listed on the HUD-1 Settlement Statement as proceeds due to the seller.

10. It was a further part of said scheme and artifice to defraud that in connection with the closing on the property located at 320 Redbrick Drive, Chesapeake, Virginia on May 19, 2006, the defendant knowingly violated the closing instructions of the lender, Baltimore American Mortgage Corporation, by disbursing funds without first receiving closing costs from the buyer as listed on the HUD-1 Settlement Statement. The defendant knew that the buyer listed on the HUD-1 Settlement Statement was a straw purchaser who would not pay the closing costs. Approximately four days after the closing, the defendant knowingly received closing costs in the amount of \$16,341.48 from a third-party whose identity was concealed from the lender.

11. In reliance on the HUD-1 Settlement Statements which the defendant knew did not accurately reflect receipts and disbursements of funds, the above-referenced lenders made loans totaling approximately \$2,238,650.00. The notes on said loans were subsequently purchased by other companies who sustained losses when the loans on five of the seven properties went into default and were sold at foreclosure. As a result, the following losses were sustained:

Litton Loan Servicing – \$134,043.23

Banco Popular N.A. – \$157,461.15

HomEq Servicing – \$26,347.36

AMS
TMS
WRS

LCS Financial – \$28,400.00

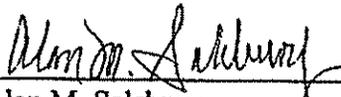
Wilshire Credit Corporation – \$130,199.92

Saxson Mortgage Services – \$105,406.07

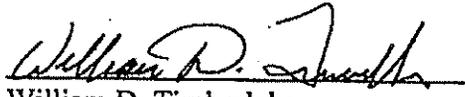
Ocwen Loan Servicing – \$47,227.02

12. On or about May 19, 2006, in the Eastern District of Virginia, loan closing funds in the amount of \$254,716.37 were wire transferred from Baltimore American Mortgage Corporation in Hanover, Maryland, to the defendant's real estate escrow account at TowneBank in Suffolk, Virginia.

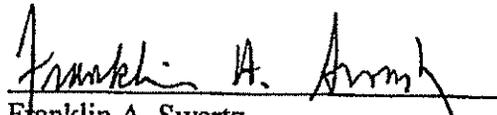
Neil H. MacBride
United States Attorney

By: 
Alan M. Salsbury
Assistant United States Attorney

I hereby stipulate that the above Statement of Facts is true and accurate, and that if this case had proceeded to trial, the United States would have proved the same beyond a reasonable doubt.


William D. Timberlake

I have reviewed the above Statement of Facts with William D. Timberlake and his decision to stipulate to the accuracy of these facts is an informed and voluntary one.


Franklin A. Swartz
Counsel for the defendant

AMS
call
7/27