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CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
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8 UNITED STATES DISTRICT COURT
9 FOR THE CENTRAL DISTRICT OF CALIFORNIA
10 June 2012 Grand Jury

CR12-0785

11
12 UNITED STATES OF AMERICA,) No. CR 12-
13)
14 Plaintiff,) I N D I C T M E N T
15)
16 v.) [18 U.S.C. § 157(3):
17) Bankruptcy Fraud; 18 U.S.C.
18 GLEN ALAN WARD,) § 2: Aiding and Abetting and
19 aka "Jacob Alexander,) Causing an Act to be Done; 18
20 aka "Sean Hamilton,") U.S.C. § 1341: Mail Fraud; 18
21 aka "Brandon Michaels,") U.S.C. § 1028A: Aggravated
22 aka "Jacob Cohen,") Identity Theft]
23 aka "David Warner,")
24)
25 Defendant.)
26)
27)
28)

29 The Grand Jury charges:

30 COUNTS ONE AND TWO

31 [18 U.S.C. §§ 157(3); 2]

32 A. INTRODUCTORY ALLEGATIONS

33 At all times relevant to this Indictment:

34 1. On or about March 30, 2000, defendant GLEN ALAN WARD,
35 also known as ("aka") "Jacob Alexander," aka "Sean Hamilton," aka
36 "Brandon Michaels," aka "Jacob Cohen," aka "David Warner,"

37 PMR & EJD:ejd

1 ("defendant WARD"), signed a plea agreement with the United
2 States, in which he admitted facts that supported six counts of
3 bankruptcy fraud.

4 2. On or about April 4, 2000, the United States Attorney's
5 Office filed an Information that charged defendant WARD with the
6 six counts of bankruptcy fraud referenced in the plea agreement
7 for having participated in a foreclosure-delay scheme. On or
8 about April 10, 2000, a summons was issued that required
9 defendant WARD to appear at a hearing on April 17, 2000 to answer
10 the six bankruptcy fraud charges. The hearing was then reset to
11 May 1, 2000, at the request of defendant WARD's lawyer.

12 3. On or about May 1, 2000, defendant WARD failed to
13 appear at the scheduled post-indictment arraignment hearing.
14 Defendant WARD's lawyer stated that he did not know where his
15 client was, that his client had been interviewed by the Pretrial
16 Services office, and had signed a plea agreement. Defendant
17 WARD's lawyer further stated that he had spoken with defendant
18 WARD within the prior week. The arraignment hearing was reset to
19 May 8, 2000, at the request of defendant WARD's lawyer.

20 4. On or about May 8, 2000, a United States Magistrate
21 Judge ordered the issuance of a no-bail warrant for defendant
22 WARD's arrest, for his having failed to appear at the May 8,
23 2000, post-indictment arraignment.

24 5. Until his arrest in Canada by Waterloo Regional Police
25 Service and the Royal Canadian Mounted Police on April 5, 2012,
26 defendant WARD remained a fugitive from justice, in violation of
27 the Court's summons to appear.

28

1 6. From in or about July 2007 to on or about April 5,
2 2012, defendant WARD was a resident of Canada and operated a
3 foreclosure-delay scheme in Los Angeles County, within the
4 Central District of California, among other locations. In
5 perpetrating the scheme, defendant WARD did not use his true name
6 and instead used the aforementioned aliases.

7 7. A bankruptcy case typically commenced with the filing
8 of a petition for bankruptcy. A person seeking relief from
9 debts, referred to as the "debtor," could file a "voluntary
10 petition" for bankruptcy.

11 8. The filing of a bankruptcy petition would trigger what
12 was known as an "automatic stay" against the debtor's creditors,
13 who would be immediately forbidden from taking any action on
14 claims they might have against the debtor or any property owned
15 by the debtor when the bankruptcy case was commenced, including
16 foreclosure and eviction actions, unless permission of the
17 bankruptcy court was first obtained.

18 9. U.S. Bank, N.A., which held the mortgage for client
19 J.C.'s real property, was a financial institution whose deposits
20 were insured by the Federal Deposit Insurance Corporation.

21 B. THE BANKRUPTCY FRAUD SCHEME

22 10. Beginning in or about July 2007, and continuing to on
23 or about April 5, 2012, in Los Angeles County, within the Central
24 District of California, and elsewhere, defendant WARD, together
25 with others known and unknown to the Grand Jury, including
26 Frederic Alan Gladle, knowingly and with intent to defraud,
27 devised, participated in, and executed a scheme to defraud
28 lenders and financial institutions, by means of making and

1 causing to be made fraudulent representations, claims, and
2 promises during and in relation to proceedings under Title 11 of
3 the United States Code.

4 11. The purpose of the scheme was to hinder, delay, and
5 obstruct lawful foreclosure actions against property owners who
6 had defaulted on their mortgages.

7 C. MEANS BY WHICH THE SCHEME WAS ACCOMPLISHED

8 12. The scheme was accomplished in substance, through the
9 following means, among others:

10 a. Defendant WARD and his co-schemers distributed and
11 caused to be distributed, through the United States mails and
12 otherwise, advertisements soliciting distressed homeowners
13 ("clients") who were interested in delaying the foreclosure of
14 their homes. The scheme victimized lenders and financial
15 institutions, some of whom were recipients of federal funds under
16 the Troubled Asset Relief Program, including Bank of America, who
17 were attempting to foreclose on real properties through trustee
18 sales. At least one of these advertisements was sent by the
19 United States Postal Service from Industry, California, within
20 the Central District of California, to Solana Beach, California.

21 b. In addition, defendant WARD obtained new clients
22 through referrals from existing clients and from salespersons
23 hired by defendant WARD. One of defendant WARD's salespersons
24 and co-schemer was Frederic Alan Gladle.

25 c. Through these advertisements and salespersons,
26 defendant WARD told potential clients whose properties were being
27 foreclosed upon (the "distressed properties") that, in exchange
28 for a monthly fee, defendant WARD would assist in postponing the

1 foreclosure of the distressed properties for anywhere from six to
2 36 months. Defendant WARD and his co-schemers generally told
3 clients that the postponement would be achieved through defendant
4 WARD's use of bankruptcy petitions filed by debtors, and that
5 such process was legal.

6 d. After a client had signed up and paid the required
7 fee, approximately \$700 per month, defendant WARD or his
8 salesperson would obtain a client's notarized signature on a
9 grant deed transferring a fractional share, generally a 1/100th
10 interest, of their distressed property (the "fractional deed") to
11 a debtor whose name defendant WARD had obtained by accessing the
12 electronic bankruptcy court docketing system, Public Access Court
13 Electronic Records ("PACER"). Defendant WARD also retrieved a
14 copy of the debtor's bankruptcy petition from PACER, unbeknownst
15 to the debtor.

16 e. Defendant WARD would direct the client and the
17 salesperson to record the fractional deed and to send the
18 recorded fractional deed by facsimile in interstate or foreign
19 commerce to defendant WARD.

20 f. After downloading the debtor's bankruptcy petition
21 from PACER and obtaining the recorded fractional deed, defendant
22 WARD or a co-schemer operating at his direction would send by
23 facsimile a copy of the recorded fractional deed and the
24 bankruptcy petition, both of which listed the same debtor's name
25 and address, to the client's lender or the lender's
26 representative, by facsimile or email, thereby notifying the
27 lender of the automatic stay in order to stop the foreclosure
28 sale.

1 g. In furtherance of the scheme, defendant WARD,
2 using the alias Jacob Alexander, faxed documents in interstate
3 and foreign commerce to and from his clients, lenders, trustees,
4 and others, by using the efax service, a provider of electronic
5 communication and remote computing services. Efax is
6 administered by j2 Global Communications, Inc., with servers
7 located at 6922 Hollywood Boulevard, Hollywood, California,
8 within the Central District of California.

9 h. Upon receiving the facsimile containing the
10 recorded fractional deed and bankruptcy petition from defendant
11 WARD, some lenders would file a motion for Relief From Stay
12 ("RFS") in the debtor's bankruptcy case. Generally, in response
13 to the motion, the debtor would deny any knowledge of owning the
14 fractional interest in the distressed property, and the
15 bankruptcy court would grant the motion and permit the
16 foreclosure on the distressed property to continue.

17 i. However, once another foreclosure sale was
18 scheduled by the lender, defendant WARD would cause the client to
19 sign another deed again transferring a fractional share of the
20 distressed property to a different debtor and to record the
21 fractional deed, print out the debtor's bankruptcy petition from
22 PACER, and send both documents to the lender or the lender's
23 representative.

24 j. Defendant WARD would repeat this course of action,
25 thereby continuously delaying the sale of the distressed
26 properties for as long as the client paid the monthly fee. In
27 this way, defendant WARD was able to delay the foreclosure for a
28 period of years on some of the distressed properties through the

1 unauthorized use of bankruptcy debtors' names and their
2 petitions.

3 k. If a client requested that defendant WARD reverse
4 the fractional deed transfers, defendant WARD would offer to
5 prepare reconveyance documents purporting to show that the
6 debtors were transferring their fractional interests back to the
7 client.

8 13. As part of the above-described fraudulent scheme, from
9 at least in or about July 2007, and continuing through in or
10 about April 2012, defendant WARD and his co-schemers delayed the
11 foreclosure sales of approximately 824 distressed properties by
12 using at least 414 bankruptcies filed in 26 judicial districts.
13 During that same period, defendant WARD collected more than \$1
14 million from clients in monthly fees paid for his illegal
15 foreclosure-delay services.

16 D. THE EXECUTION OF THE SCHEME

17 14. On or about the dates set forth below, within the
18 Central District of California, and elsewhere, for the purpose of
19 executing and attempting to execute the above-described scheme,
20 defendant GLEN ALAN WARD, using the alias "Jacob Alexander," sent
21 and caused to be sent the following documents, by facsimile, to
22 Quality Loan Service Corp. concerning or in relation to a
23 proceeding under Title 11, in order to delay the foreclosure of
24 J.C.'s residence.

1	<u>COUNT</u>	<u>DATE</u>	<u>DOCUMENT</u>
2	ONE	6/8/2010	Voluntary Bankruptcy Petition in the
3			name of M.P., bearing case number 10-
4			14683 (filed in the U.S. Bankruptcy
5			Court, Eastern District of
6			Pennsylvania); J.C.'s notarized grant
7			deed; proof of recordation; and a cover
8			sheet.
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	TWO	2/22/2011	Voluntary Bankruptcy Petition in the
			name of B.P., bearing case number 11-
			13920 (filed in the U.S. Bankruptcy
			Court, Southern District of Florida);
			and a one-percent fractional grant deed
			from J.C. to B.P.

COUNT THREE

[18 U.S.C. §§ 1341; 2]

A. SCHEME TO DEFRAUD

15. The Grand Jury hereby realleges and incorporates by reference paragraphs one through nine, 12, and 13 of this Indictment.

16. Beginning in or about July 2007, and continuing to on or about April 5, 2012, in Los Angeles County, within the Central District of California, and elsewhere, defendant WARD, together with others known and unknown to the Grand Jury, including Frederic Alan Gladle, knowingly and with intent to defraud, devised, participated in, and executed a scheme to defraud lenders and financial institutions as to material matters, by means of making and causing to be made material fraudulent representations, claims, and promises, and the concealment of material facts.

B. THE MAILING

17. On or about October 18, 2010, within the Central District of California and elsewhere, defendant WARD, using the alias "Jacob Alexander," for the purpose of executing and attempting to execute the above-described scheme to defraud, placed and caused to be placed in a post office and authorized depository for mail matter to be sent and delivered by the United States Postal Service according to the directions thereon, a foreclosure-rescue solicitation post card entitled "STOP FORECLOSURE NOW!," mailed from Industry, California, within the Central District of California, to Solana Beach, California.

COUNT FOUR

[18 U.S.C. §§ 1028A; 2]

18. The Grand Jury hereby realleges and incorporates by reference paragraphs one through nine, 12, 13, and 17 of this Indictment.

19. On or about June 7, 2010, in the Central District of California and elsewhere, defendant WARD, using the alias "Jacob Alexander," knowingly transferred, possessed, and used, and knowingly aided and abetted, and willfully caused, the transfer, possession, and use of, without lawful authority, a means of identification of another person, that is, the full name, address, partial social security number, and the unique bankruptcy petition case number of bankruptcy debtor M.P., which defendant WARD knew belonged to a real person, during and in relation to felony mail and bank fraud, in violation of Title 18, United States Code, Sections 1341 and 1344.

COUNT FIVE

[18 U.S.C. §§ 1028A; 2]

20. The Grand Jury hereby realleges and incorporates by reference paragraphs one through nine, 12, 13, and 17 of this Indictment.

21. On or about February 22, 2011, in the Central District of California and elsewhere, defendant GLEN ALAN WARD, using the alias Jacob Alexander, knowingly transferred, possessed, and used, and knowingly aided and abetted, and willfully caused, the transfer, possession, and use of, without lawful authority, a means of identification of another person, that is, the full name, address, partial social security number, and the unique bankruptcy petition case number of bankruptcy debtor B.P., which defendant WARD knew belonged to a real person, during and in

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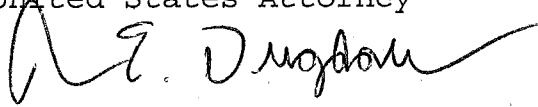
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1 relation to felony mail and bank fraud, in violation of Title 18,
2 United States Code, Sections 1341 and 1344.

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4
5 A TRUE BILL

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7 151
8 Foreperson

9 ANDRÉ BIROTTE JR.
10 United States Attorney

11 
12 ROBERT E. DUGDALE
13 Assistant United States Attorney
14 Chief, Criminal Division

15 CONSUELO S. WOODHEAD
16 Assistant United States Attorney
17 Acting Chief, Major Frauds Section

18 EVAN J. DAVIS
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21 PAUL M. ROSEN
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