

# Sheriff



**Larry Ashley, Okaloosa County Sheriff**

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September 30, 2011

## **OKALOOSA SHERIFF PRAISES WORK OF NEW MORTGAGE FRAUD TASK FORCE**

Okaloosa County Sheriff Larry Ashley today praised the work of the newly formed Northwest Florida Mortgage Fraud Task Force, (NWFMTF), which announced the indictments of one Crestview resident and three Destin residents for bank fraud and bribery.

The NWFMTF, comprised of members of the FBI and the Okaloosa County Sheriff's Office, is working to combat, identify, and prosecute organized groups and individuals responsible for frauds associated with the mortgage industry.

Mortgage fraud and associated crimes have adversely affected local communities and property values along Florida's Gulf Coast.

"Investigating white collar crime can be labor intensive and time-consuming," said Sheriff Ashley. "But today's announcement from the U-S Attorney's Office is a prime example of why those investigations are well worth the required time and effort. By participating in this new cooperative effort between local, state, and federal authorities, our agency is able to maximize our resources and our effectiveness in pursuing and catching white collar criminals. That's not just good for law enforcement; that's good for the citizens we protect."

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The Okaloosa County Sheriff's Office is accredited by the Commission for Florida Law Enforcement Accreditation.

"The Okaloosa County Sheriff's Office provides equal access and equal opportunity in employment and services and does not discriminate"



**U. S. Department of Justice**

*Pamela C. Marsh  
United States Attorney  
Northern District of Florida*

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**FOR IMMEDIATE RELEASE**

Friday, September 30, 2011

For more information contact:  
Assistant U.S. Attorney Len Register  
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**CRESTVIEW ATTORNEY AND THREE DESTIN RESIDENTS INDICTED  
FOR BANK FRAUD AND BRIBERY**

**PENSACOLA, FLORIDA** – Pamela C. Marsh, United States Attorney for the Northern District of Florida, announced that Crestview attorney Chris Cadenhead (age 56), and three Destin residents, Jackie T. Fair (age 70), Jane M. McDonald (age 58), and Randolph Branham (also known as Randy Branham) (age 44), have been arrested pursuant to a federal indictment returned earlier this week. The four count indictment charges Cadenhead, Fair and Branham in Count One with conspiracy to commit bank fraud, and in Count Two with bribery of a loan officer. Cadenhead, Fair and McDonald are each charged in Count Three with conspiracy to commit mail and wire fraud and in Count Four with mail fraud.

The indictment alleges that in order for McDonald and Fair to obtain a penthouse condominium located in Destin, Florida, Cadenhead, Branham and Fair conspired to defraud the financial institution Southwest Georgia Farm Credit, ACA, located in Bainbridge, Georgia. As a part of the conspiracy Cadenhead obtained a fraudulent \$700,000 loan to help fund the purchase of penthouse condominium. In order to obtain the loan, it is alleged that Cadenhead paid a \$50,000 bribe to a loan officer and also paid \$25,000 to Branham. Thereafter, McDonald obtained loans in her name for the penthouse condominium with the assistance of Fair and Cadenhead. It is alleged that McDonald made false statements on her loan applications. A copy of the Indictment is attached hereto.

If convicted, Counts One and Two each carry a maximum sentence of thirty years in prison, and Counts Three and Four carry a maximum sentence of twenty years in prison on each count.

Larry J. Malone (age 56), of Bainbridge, Georgia, former Chief Lending Officer for Southwest Georgia Farm Credit, was indicted by the grand jury in its July session. As part of a plea and cooperation agreement with the government, on September 22, 2011, Malone pled guilty as charged to (1) conspiracy to commit bank fraud and (2) receipt of gifts or commissions for procuring a loan. Each of those offenses is punishable by up to thirty (30) years in prison.

This investigation was conducted by the newly formed Northwest Florida Mortgage Fraud Task Force, a partnership between the Federal Bureau of Investigation and the Okaloosa County Sheriff's Office. The case will be prosecuted by Assistant United States Attorney Tiffany H. Eggers.

An indictment is merely a formal charge by a grand jury that a defendant has committed a violation of federal criminal law, and each defendant is presumed innocent unless, and until, proven guilty beyond every reasonable doubt at trial.

IN THE UNITED STATES DISTRICT COURT FOR THE  
NORTHERN DISTRICT OF FLORIDA  
PENSACOLA DIVISION

**SEALED**

UNITED STATES OF AMERICA

v.

INDICTMENT

CHRIS CADENHEAD,  
JACKIE T. FAIR,  
JANE M. McDONALD,  
a/k/a "Janie McDonald,"  
and  
RANDOLPH BRANHAM,  
a/k/a "Randy Branham,"  
a/k/a "Randolph Stucki"

3:11cr69/MCR

THE GRAND JURY CHARGES:

COUNT ONE

A. INTRODUCTION

1. Southwest Georgia Farm Credit, ACA, (hereinafter "SWGFC"), was a financial institution, regulated by the Farm Credit Administration, which is a department and agency of the United States, and is a system institution of the Farm Credit System.

2. Larry J. Malone was the Chief Lending Officer of SWGFC at all times relevant to the Indictment.

3. On or about December 5, 1997, defendant **JACKIE T. FAIR** was convicted in the District Court for the Northern District of Florida of Attempting to Evade or Defeat Income Tax in case number 3:97cr101. As a part of the sentence imposed, **FAIR** was

CERTIFIED A TRUE COPY  
Jessica J. Lyublanovits

By: Jess J. Lyublanovits  
Deputy Clerk

Returned in open court pursuant to Rule 6(f)

9-27-11

Date

Elizabeth N. Moore

United States Magistrate Judge

ordered to pay \$122,879.22 in restitution to the Internal Revenue Service. Defendant **CHRIS CADENHEAD** represented **FAIR** in the case. On or about February 5, 2008, a notice of lien was filed with the Okaloosa Clerk of Court against **FAIR** for \$107,629.19, which represented the amount of restitution still owed by **FAIR**.

4. In or about November 2004, Larry J. Malone opened Regions Bank account ending in number 1471 in the corporate name JASABE Corporation. Malone was listed as the president of JASABE Corporation.

5. First National Bank and Trust (hereinafter "FNB&T") was a financial institution with headquarters in Fort Walton Beach, Florida. FNB&T bank account ending in number 9031 was a professional association trust account for defendant **CHRIS CADENHEAD**.

6. Bayside Savings Bank was a financial institution based out of Port St. Joe, Florida. Bayside Savings Bank account ending in number 7534 was a bank account of B.H.

7. Unit 1030 of Grand Harbor condominiums located at 662 Highway 98 East, Destin, Florida, (hereinafter "Grand Harbor penthouse"), was located in the Northern District of Florida.

8. At all times relevant to the Indictment, Harborview Title, LLC, was a licensed title agency located in the Northern District of Florida. On or about August 10, 2004, articles of organization were filed with the Florida Secretary of State incorporating Harborview Title, LLC. On or about October 21, 2004, an articles of amendment to the Harvorview Title, LLC's articles of organization was filed with the Florida Secretary of State, making

defendant **CHRIS CADENHEAD** the new managing member of Harborview Title, LLC. Since that time, **CADENHEAD** has held the position of managing member of Harborview Title, LLC. Harborview Title, LLC, had a real estate trust account at FNB&T ending in number 9120.

9. On or about July 30, 2004, articles of organization were filed with the Florida Secretary of State incorporating DLT, LLC. Defendant **CHRIS CADENHEAD** was listed as the registered agent for DLT, LLC. On or about August 31, 2004, an articles of amendment to DLT, LLC's articles of organization was filed changing the company's name to DLTC, LLC. On or about the same date, defendant **JANE M. McDONALD, a/k/a "JANIE McDONALD,"** (hereinafter "**JANE M. McDONALD**"), became the managing member of DLTC, LLC. On or about June 9, 2005, **McDONALD** was listed as the managing member of DLTC, LLC, in the company's 2005 annual report filed with the Florida Secretary of State. **CADENHEAD** continued to be listed as the registered agent for DLTC, LLC, in the 2005 annual report. On or about March 2, 2006, DLTC, LLC's 2006 annual report was filed with Florida Secretary of State and continued to identify **McDONALD** as the managing member and **CADENHEAD** as the registered agent.

10. AmSouth Bank, now known as Regions Bank, was a financial institution. AmSouth Bank account ending in number 5900 was a bank account of **RANDOLPH BRANHAM, a/k/a "RANDY BRANHAM," a/k/a "RANDOLPH STUCKI"** (hereinafter "**RANDY BRANHAM**").

## **B. MANNER AND MEANS**

It was part of the conspiracy that:

1. Larry J. Malone approved and authorized an unsecured \$500,000 loan to B.H. with defendant **CHRIS CADENHEAD** as guarantor. The purported purpose of the loan was to purchase timber, when in truth and fact, the proceeds of the loan were to be provided to defendant **JANE M. McDONALD** so that **McDONALD** could purchase the Grand Harbor penthouse.

2. Thereafter, Larry J. Malone caused a bribe to be paid by defendant **CHRIS CADENHEAD** in the amount of \$50,000 to Malone, \$50,000 to B.H. and \$25,000 to defendant **RANDY BRANHAM**, in order for **CADENHEAD** to be able to refinance the \$500,000 loan referenced in paragraph B1.

3. Larry J. Malone then approved and authorized an unsecured loan to defendant **CHRIS CADENHEAD** for \$700,000 to pay off the \$500,000 loan to B.H., and for **CADENHEAD** to purportedly purchase additional timber. In truth and fact, the balance of the proceeds of the \$700,000 loan to **CADENHEAD** were to be used to pay a bribe to Larry J. Malone, pay money to defendant **RANDY BRANHAM** and B.H., and pay \$25,000 to **CADENHEAD**.

### C. THE CHARGE

Between on or about March 1, 2005, and on or about March 1, 2009, in the Northern District of Florida and elsewhere, the defendants,

**CHRIS CADENHEAD,  
JACKIE T. FAIR,  
and  
RANDOLPH BRANHAM,  
a/k/a "Randy Branham,"  
a/k/a "Randolph Stucki,"**

did knowingly and willfully conspire, combine, confederate, and agree together and with other persons to knowingly and willfully execute and attempt to execute a scheme and artifice to defraud a financial institution regulated by the Farm Credit Administration, that is, SWGFC, and to obtain moneys owned by and under the custody and control of such financial institution, by means of materially false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Section 1344.

### D. OVERT ACTS

1. On or about March 1, 2005, Larry J. Malone, as a loan committee member of SWGFC, approved an unsecured loan to B.H. in the amount of \$500,000 for the purported purchase of timber. The credit summary sheet signed by Malone listed defendant **CHRIS CADENHEAD** as a partner to the transaction and a guarantor of the loan. The loan was scheduled to mature on or about June 15, 2005.

2. On or about March 4, 2005, B.H. signed a variable rate note in the amount of \$502,500 listing the purported purpose of the loan as the purchase of timber. The variable

rate note was SWGFC loan ending in number 930-12. On or about the same date, defendant **CHRIS CADENHEAD** executed a guarantee on the loan. Attached to the note was a chart purportedly identifying a schedule for the purchase and sale of timber that was to be obtained with the proceeds of the loan. The schedule was signed by Larry J. Malone.

3. On or about March 4, 2005, defendant **CHRIS CADENHEAD** caused a promissory note to be executed by defendant **JANE M. McDONALD**, on behalf of DLTC, LLC, in the amount of \$525,000. The collateral for the promissory note was identified as the Grand Harbor penthouse. On or about the same date, **McDONALD** signed a guarantee agreement personally guaranteeing repayment of the \$525,000 to **CADENHEAD**.

4. On or about March 4, 2005, \$500,000 which represented the proceeds of the loan to B.H. guaranteed by defendant **CHRIS CADENHEAD**, was wired from SWGFC in Georgia to the real estate trust account of Harborview Title, LLC, which account ended in number 9120.

5. On or about March 30, 2005, defendant **CHRIS CADENHEAD** caused a letter to be faxed from the Northern District of Florida to Larry J. Malone, Chief Lending Officer of SWGFC. In said letter, **CADENHEAD** stated, "This letter will confirm the use of proceeds from B.H. to purchase certain timber located in East Texas. The timber is currently going through a cruise estimate, subsequent to the completion of which the closing will be set. I will be providing you the contract, cruise estimate and other material as it is received by me."

6. On or about April 6, 2005, defendant **CHRIS CADENHEAD** caused the \$500,000 referenced in paragraph D4 and other funds to be wired into the account of T.B. and P.B. for the money to be used to purchase the Grand Harbor penthouse and for the penthouse to be occupied by defendant **JANE M. McDONALD** and defendant **JACKIE T. FAIR**.

7. On or about June 16, 2005, defendant **CHRIS CADENHEAD** sent an email to defendant **JACKIE T. FAIR** which stated, "I told you not to contact me, come in my office or call me UNTIL your loan is paid. I got notice yesterday from the credit union that my note is due so when I have to pay this you are not welcome EVER around me. Also come the 20th I am notifying Janie to move out. Do not think for a second I won't do this."

8. Thereafter, on June 16, 2005, defendant **JACKIE T. FAIR** sent an email to defendant **CHRIS CADENHEAD** which stated, "I received your email todfay. {sic} Today I am getting the money to close on my loan. I also have a contract that I am getting on St. Andrews on the bay for \$6,000,000 and will asigne {sic} you the \$750,000 that Larry sid {sic} I could make. That will pay the loan and the juice of \$200,000." **CADENHEAD** then responded by sending an email which stated, "I surely hope you do."

9. Later on June 16, 2005, defendant **JACKIE T. FAIR** sent an email to defendant **CHRIS CADENHEAD** which stated, "I have a way of closing my loan of \$1,540,000, I owe Doodle and closing costs \$397,000. I have a friend in Louisiana {sic} that is going to give me a million dollar second. That in turn will pay off the \$500,000 that I owe you. . . I will still owe the \$200,000 juice but I have \$1,525,000 made and earned."

10. On or about July 1, 2005, defendant **CHRIS CADENHEAD** submitted a membership application to SWGFC. On or about the same day, **CADENHEAD** signed and submitted a loan action request to refinance loan ending in number 930-12 in B.H.'s name into a \$700,000 loan solely in **CADENHEAD's** name.

11. On or about July 13, 2005, Larry J. Malone, as a loan committee member of SWGFC, approved an unsecured loan to defendant **CHRIS CADENHEAD** in the amount of \$700,000 for the purported purchase of additional timber. The credit summary sheet signed by Malone indicated that B.H. no longer wanted to participate in the timber transaction.

12. On or about July 14, 2005, defendant **CHRIS CADENHEAD** signed a revolving variable rate note in the amount of \$700,000 for the purpose of refinancing the loan ending in number 930-12 in B.H.'s name. The \$700,000 variable rate note was SWGFC loan ending in number 902-01. As a part of the refinance, **CADENHEAD** agreed that \$514,714.87 of the proceeds from the refinance would be applied to loan 930-12. The \$700,000 loan issued to **CADENHEAD** was due on or about August 1, 2006.

13. On or about July 15, 2005, a \$150,000 check was issued by SWGFC made payable to defendant **CHRIS CADENHEAD** as the outstanding proceeds of the refinance loan ending in number 902-01. On or about July 20, 2005, the \$150,000 check was deposited into **CADENHEAD's** professional trust bank account at FNB&T, which account ended in number 9031.

14. On or about July 22, 2005, defendant **CHRIS CADENHEAD** caused to be issued on FNB&T bank account ending in number 9031, check number 1025 for \$50,000 made payable to Larry J. Malone. On or about the same date, **CADENHEAD** also caused to be issued, on FNB&T bank account ending in number 9031, check number 1026 for \$50,000 made payable to B.H.

15. On or about July 27, 2005, defendant **CHRIS CADENHEAD** caused to be issued on FNB&T bank account ending in number 9031, check number 1027 for \$25,000 made payable to defendant **RANDY BRANHAM**. In the memo section of the check, "GA Farm Credit" was written. On or about the same date, **CADENHEAD** also caused to be issued, on FNB&T bank account ending in number 9031, check number 1028 for \$25,000 made payable to himself. In the memo section of the check, "GA Farm Credit" was written.

16. On or about July 27, 2005, B.H. caused to be issued, on Bayside Savings Bank account ending in number 7534, a check for \$20,000 made payable to Larry J. Malone.

17. On or about July 28, 2005, Larry J. Malone deposited the \$50,000 check drawn on defendant **CHRIS CADENHEAD**'s bank account at FNB&T ending in number 9031, and the \$20,000 check drawn on B.H.'s account at Bayside Savings Bank ending in number 7534 into Malone's JASABEE Corporation account at Regions Bank ending in number 1471.

18. On or about August 4, 2005, defendant **RANDY BRANHAM** deposited the \$25,000 check drawn on defendant **CHRIS CADENHEAD**'s bank account at FNB&T ending in number 9031 into **BRANHAM**'s bank account at AmSouth Bank ending in

number 5900.

19. On or about August 20, 2006, Larry J. Malone, as loan committee member of SWGFC, approved a renewal of the unsecured loan ending in 902-01 to defendant **CHRIS CADENHEAD**. In the credit summary sheet signed by Malone, **CADENHEAD** was identified as a buyer and seller of timber.

20. On or about August 24, 2006, defendant **CHRIS CADENHEAD** caused a payment on loan ending in number 902-01 to be sent from the Northern District of Florida to Larry J. Malone in Bainbridge, Georgia.

21. On or about August 25, 2006, Larry J. Malone caused a renewal loan package to travel in interstate commerce to defendant **CHRIS CADENHEAD** in Destin, Florida. Thereafter, **CADENHEAD** signed the revolving variable renewal note on loan ending in number 902-01 and caused said renewal to be sent from the Northern District of Florida to Bainbridge, Georgia. The balance on the renewal was due March 1, 2007.

22. On or about March 7, 2007, Larry J. Malone, as loan committee member of SWGFC, approved a renewal of the unsecured loan ending in 902-01 to defendant **CHRIS CADENHEAD**. In the credit summary sheet signed by Malone, the loan was purportedly used to purchase timber in Florida, Georgia, and Tennessee.

23. On or about March 12, 2007, defendant **CHRIS CADENHEAD** signed another revolving variable renewal on loan ending in number 902-01.

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

## **COUNT TWO**

### **A. INTRODUCTION**

The allegations contained in paragraphs A1 through A9, B1 through B3, and D1 through D23 of Count One are incorporated by reference as if fully set forth herein.

### **B. THE CHARGE**

Between on or about June 1, 2005, and on or about July 31, 2005, in the Northern District of Florida and elsewhere, the defendants,

**CHRIS CADENHEAD,  
JACKIE T. FAIR,  
and  
RANDOLPH BRANHAM,  
a/k/a "Randy Branham,"  
a/k/a "Randolph Stucki,"**

corruptly gave, offered and promised a thing of value in excess of \$1,000, that is, a check for \$50,000 in United States currency, to Larry J. Malone, an officer, director and employee of SWGFC, a financial institution, regulated by the Farm Credit Administration, with the intent to influence and reward Larry J. Malone in connection with a transaction and the business of SWGFC in the approval of a \$700,000 loan to defendant **CHRIS CADENHEAD**.

In violation of Title 18, United States Code, Sections 215(a)(1) and 2.

## COUNT THREE

### A. INTRODUCTION

The allegations contained in paragraphs A1 through A9, and D1 through D23 of Count One are incorporated by reference as if fully set forth herein.

### B. MANNER AND MEANS

1. On or about October 20, 2005, defendant **JANE M. McDONALD** entered into a contract to purchase the Grand Harbor penthouse from Seacrest Beach, Inc. The contract purchase price for the Grand Harbor penthouse was \$2,075,000.

2. Thereafter, defendant **JANE M. McDONALD** borrowed \$1,452,500 from Genisys Financial Corporation to fund the Grand Harbor penthouse purchase.

3. According to the loan application, defendant **JANE M. McDONALD** represented that she had monthly income in the amount of \$1,500, for the rental of a residence to S.C., when in truth, S.C. never paid any rent to **McDONALD** nor did S.C. occupy the subject residence.

4. Further, as part of the loan application process, defendant **JANE M. McDONALD** failed to disclose \$700,000 she owed defendant **CHRIS CADENHEAD** for a prior loan in which the Grand Harbor penthouse was used as collateral.

5. Following the closing on the Grand Harbor penthouse, \$1,450,890.58 was wired from Concord, California, into Harborview Title, LLC's FNB&T bank account ending in 9120. Thereafter, \$1,877,519.00 was transferred into a bank account of Seacrest Beach, Inc.

6. On or about October 25, 2006, defendant **CHRIS CADENHEAD** executed a Satisfaction of Mortgage to purportedly satisfy the \$700,000 mortgage **CADENHEAD** held on the Grand Harbor penthouse. Thereafter, a copy of the satisfaction was sent via facsimile to correspondent mortgage lender New Horizon Financial. Nonetheless, on the same day, defendant **JANE M. McDONALD** executed another mortgage for \$700,000 on the Grand Harbor penthouse with **CADENHEAD** as the mortgage holder.

7. On October 25, 2006, defendant **JANE M. McDONALD** caused loan applications to be submitted to America's Wholesale Lender for a total of \$2,215,000 in loans to refinance the Grand Harbor penthouse mortgage.

8. As part of the loan application process, defendant **JANE M. McDONALD** failed to disclose the \$700,000 she still owed defendant **CHRIS CADENHEAD** for the loan in which the Grand Harbor penthouse was used as collateral.

9. According to the loan application, defendant **JANE M. McDONALD** had 100,000 shares of Morgan Creek Energy stock worth \$500,000. During the loan approval process, a Request for Verification of Deposit was sent via facsimile to defendant **JACKIE T. FAIR** requesting verification of **McDONALD's** ownership of the stock. Thereafter, a completed Request for Verification of Deposit was submitted to America's Wholesale Lender, which was purportedly signed by W.B., averring that **McDONALD** owned the stock, when in truth and fact, W.B. did not sign the verification form and **McDONALD** never owned 100,000 shares of Morgan Creek Energy stock.

10. Following the closing on the Grand Harbor penthouse, \$2,241,801.15 was wired from Calabasas, California, into Harborview Title, LLC's FNB&T bank account ending in 9120. Thereafter, \$1,535,494.17 was wired to JP Morgan Chase Bank, N.A., to satisfy defendant **JANE M. McDONALD**'s outstanding mortgage on the Grand Harbor penthouse.

### **C. THE CHARGE**

Between on or about November 1, 2004, through on or about January 1, 2007, in the Northern District of Florida and elsewhere, the defendants,

**CHRIS CADENHEAD,  
JACKIE T. FAIR,  
and  
JANE M. McDONALD,  
a/k/a "Janie McDonald,"**

did knowingly and willfully conspire, combine, confederate, and agree together and with other persons to commit offenses against the United States, namely:

1. to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises and did transmit and caused to be transmitted in interstate commerce, by means of a wire communication, certain signs, signals and sounds, that is, United States Currency and facsimile(s), for the purpose of executing the scheme and artifice to defraud, and to obtain money and property by materially false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Section 1343; and,

2. to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises by the use of the United States Postal Service, or by any private and commercial interstate carrier, by mailing, and causing to be delivered, some mail matter for the purpose of executing the scheme and artifice to defraud, and to obtain money and property by materially false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Section 1341.

#### **D. OVERT ACTS**

1. On or about October 20, 2005, defendant **JANE M. McDONALD** entered into a contract to purchase the Grand Harbor penthouse from Seacrest Beach, Inc. The contract purchase price for the Grand Harbor penthouse was \$2,075,000. The contract was witnessed by defendant **JACKIE T. FAIR**.

2. On or about November 21, 2005, defendant **CHRIS CADENHEAD** caused a promissory note to be executed by defendant **JANE M. McDONALD** in the amount of \$700,000. The collateral for the promissory note was identified as the Grand Harbor penthouse.

3. On or about January 13, 2006, defendant **CHRIS CADENHEAD** caused and another promissory note to be executed by defendant **JANE M. McDONALD** in the amount of \$700,000.

4. On or about January 18, 2006, defendant **JANE M. McDONALD** executed a mortgage for \$700,000 on the Grand Harbor penthouse with defendant **CHRIS**

**CADENHEAD** as the mortgagee. The mortgage was prepared by Harborview Title, LLC, and was filed with the Okaloosa County Clerk of Court on or about May 12, 2006.

5. On or about January 18, 2006, defendant **JANE M. McDONALD** caused a loan application signed by her to be submitted to Genisys Financial Corporation for a loan in the amount of \$1,452,500 to purchase the Grand Harbor penthouse.

6. In the loan application, defendant **JANE M. McDONALD** falsely stated that she had rental income in the amount of \$1,500 per month. A purported residential lease contract between **McDONALD** and S.C. for a residence on Yacht Club Drive in Fort Walton Beach, Florida, was executed to substantiate the \$1,500 rental income claim.

7. In the liabilities section of the loan application, defendant **JANE M. McDONALD** did not disclose the \$700,000 she owed to defendant **CHRIS CADENHEAD**.

8. As a result of defendant **JANE M. McDONALD's** loan application, on or about January 18, 2006, \$1,450,890.58 was wired from Concord, California, into Harborview Title, LLC's FNB&T bank account ending in number 9120. On or about January 19, 2006, \$1,877,519.00 was transferred into a bank account of Seacrest Beach, Inc.

9. On or about January 19, 2006, defendant **JANE M. McDONALD** caused a mortgage and a warranty deed for the Grand Harbor penthouse to be filed and recorded with the Clerk of the Court, Okaloosa County, Florida. Once the mortgage and warranty deed were filed with the Clerk of Court, the documents were mailed to Harborview Title, LLC, via the United States Postal Service. The documents were then mailed to Genisys Financial Corporation in San Diego, California, via the United Parcel Service.

10. On or about October 25, 2006, defendant **CHRIS CADENHEAD** executed a Satisfaction of Mortgage, satisfying defendant **JANE M. McDONALD**'s January 18, 2006, mortgage referenced in paragraph D4. On the same day, a copy of the Satisfaction of Mortgage was provided to correspondent mortgage lender New Horizon Financial via facsimile. Also on October 25, 2006, **McDONALD** executed another mortgage for \$700,000 on the Grand Harbor penthouse with **CADENHEAD** as the mortgagor. The mortgage was prepared by Harborview Title, LLC.

11. On or about October 26, 2006, defendant **JANE M. McDONALD** caused a loan application signed by her to be submitted to America's Wholesale Lender for a loan in the amount of \$2,015,000 and \$200,000 to refinance her mortgage on the Grand Harbor penthouse. **McDONALD**'s loan application was processed by correspondent mortgage lender New Horizon Financial.

12. In the liabilities section of the loan application, defendant **JANE M. McDONALD** did not disclose the \$700,000 she owed to defendant **CHRIS CADENHEAD**.

13. During the loan approval process, a Request for Verification of Deposit was sent via facsimile to defendant **JACKIE T. FAIR** requesting verification of defendant **JANE M. McDONALD**'s ownership of 100,000 shares of Morgan Creek Energy stock worth approximately \$500,000. Thereafter, a completed Request for Verification of Deposit was submitted to America's Wholesale Lender, which was purportedly signed by W.B. averring that **McDONALD** owned the stock. W.B. did not sign the verification form and

in truth and fact, **McDONALD** never owned 100,000 shares of Morgan Creek Energy stock.

14. As a result of defendant **JANE M. McDONALD**'s loan application, on or about October 31, 2006, \$2,241,801.15 was wired from Calabasas, California, into Harborview Title, LLC's FNB&T bank account ending in number 9120. Thereafter, \$1,535,494.17 was wired to JP Morgan Chase Bank, N.A. to satisfy **McDONALD**'s outstanding mortgage on the Grand Harbor penthouse.

15. On or about October 31, 2006, defendant **JANE M. McDONALD** caused mortgages for the Grand Harbor penthouse to be filed and recorded with the Clerk of Court, Okaloosa County, Florida. Once the mortgage and warranty deed were filed with the Clerk of Court, the documents were mailed to Harborview Title, LLC, via the United States Postal Service. The documents were also mailed to America's Wholesale Lender in Birmingham, Alabama, via the United Parcel Service.

16. On November 1, 2006, defendant **JANE M. McDONALD**'s October 25, 2006, the \$700,000 mortgage referenced in paragraph D10 was filed with the Okaloosa County Clerk of Court.

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

## **COUNT FOUR**

### **A. INTRODUCTION**

The allegations contained in paragraphs A1 through A9, and D1 through D23 of Count One, and B1 through B10, and D1 through D16 of Count Three, are incorporated by reference as if fully set forth herein.

## **B. THE CHARGE**

On or about October 31, 2006, in the Northern District of Florida and elsewhere, the defendants,

**CHRIS CADENHEAD,  
JACKIE T. FAIR,  
and  
JANE M. MCDONALD,  
a/k/a "Janie McDonald,"**

did knowingly, willfully, and with intent to defraud, devise and intend to devise a scheme and artifice for obtaining money by means of false and fraudulent pretenses, representations, and promises related to a material fact, and for the purpose of executing and in order to effect the scheme and artifice to obtain money, did cause to be sent, delivered, and moved by the United States Postal Service, or by any private and commercial interstate carrier, America's Wholesale Lender mortgage documents falsely reflecting the obligation of the defendant **JANE M. McDONALD** to repay the loan used to refinance the mortgage on the Grand Harbor penthouse.

In violation of Title 18, United States Code, Section 1341.

### **CRIMINAL FORFEITURE**

The allegations contained in Counts One through Four of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures to the United States pursuant to the provisions of Title 18, United States Code, Sections 982(a)(1), 982(a)(2) and 981(a)(1)(c), and Title 28 United States Code, Section 2461(c).

Upon the conviction of the violations alleged in Counts One through Four of this Indictment, the defendants,

**CHRIS CADENHEAD,  
JACKIE T. FAIR,  
JANE M. McDONALD,  
a/k/a "Janie McDonald,"  
and  
RANDOLPH BRANHAM,  
a/k/a "Randy Branham,"  
a/k/a "Randolph Stucki,"**

shall forfeit to the United States, pursuant to Title 18, United States Code, Sections 982(a)(1), 982(a)(2), and 981(a)(1)(c), Title 28 United States Code, Section 2461(c), and Title 21, United States Code, Section 853, any and all property, real or personal, involved in the aforementioned offenses and all property traceable to such property as a result of such violations, which includes, but is not limited to, \$700,000 in United States currency.

If any of the property described above as being subject to forfeiture pursuant to Counts One through Four of the Indictment, as a result of any act or omission of any defendant:

- i. cannot be located upon the exercise of due diligence;
- ii. has been transferred or sold to, or deposited with, a third person;
- iii. has been placed beyond the jurisdiction of this Court;
- iv. has been substantially diminished in value; or
- v. has been commingled with other property that cannot be divided without difficulty;

the United States shall be entitled to forfeiture of substitute property up to the value of the property subject to forfeiture under the provisions of Title 21, United States Code, Section 853(p), which is incorporated by reference in Title 18, United States Code, Sections 982 and 981, and Title 28, United States Code, Section 2461(c).

A TRUE BILL:

\_\_\_\_\_  
FOREPERSON

\_\_\_\_\_  
9-27-11  
DATE

*for*   
PAMELA C. MARSH  
United States Attorney

  
TIFFANY HEGGERS  
Assistant United States Attorney